



Daily Report

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General

Helicopter Venture To Include France, Singapore

OW2202040990 Beijing XINHUA in English
0808 GMT 20 Feb 90

[Text] Beijing, February 20 (XINHUA)—Helicopter manufacturers in China, France, and Singapore have agreed to join hands in producing model P-20 light duty helicopters, "ECONOMIC INFORMATION" reports today.

An agreement to this effect was signed last December by the China National Aero-Technology Import and Export Corporation, the French Aerospatiale Company and a Singapore aviation company.

Each of the manufacturers is required to produce certain parts designated by the agreement. They will be shipped to France for assembly by the French company.

Production of the new model, which has a loading capacity of two tons, will begin in 1993.

Commentary on Security Council Cambodia Talks

HK2202102390 Beijing RENMIN RIBAO in Chinese
16 Feb 90 p 4

["Commentary" by staff reporter Liu Kaichen (0491 7030 1368): "Continue To Promote the Process of Political Settlement—On Second Round of Consultations by the Five Permanent Members of the UN Security Council on the Cambodian Issue"]

[Text] United Nations, 13 Feb (RENMIN RIBAO)—Following their first round of consultations in Paris on the peaceful settlement of the Cambodian issue in mid-January, the representatives of the five permanent members of the UN Security Council held a second round of consultations in New York yesterday and today. Judging by the press communique issued at the end of the meeting, the representatives of the five countries, in the course of their consultations, have a common objective, i.e., continuously striving for a comprehensive and just settlement of the Cambodian issue as quickly as possible. The consultations will be conducive to the solution of the issue.

If, in the first round of consultations, ordinary questions of principle on a comprehensive political settlement of the Cambodian issue were discussed, the second round of consultations has centered on relevant substantive issues, i.e., the question of how the United Nations can play a greater role in the interim period, especially the two key issues, namely, the method of maintaining peace in Cambodia and the administrative structure in the interim period. This shows that the discussion of the representatives of the five countries is gradually deepening.

The five countries maintain that the United Nations should play a greater role in the course of a political

settlement of the Cambodian issue. But how will it play its role? And to what extent? Those are practical issues to be solved. The press communique is rather vague on these issues. The Chinese representative still maintains that the setting up in Cambodia of a quadripartite coalition government headed by Prince Sihanouk in the interim period is the best solution. Representing Cambodia externally, such a government will replace the current legitimate place of the Cambodian national government in the United Nations; internally, it will administer all domestic affairs and preside over a general election under UN supervision. But, if all parties favor the setting up of a UN administration, China will not be opposed to it either. What counts is that the UN administration should genuinely play its role and genuinely administer Cambodian affairs and preside over the general election. If such an administration exists in name only and is utilized or controlled by a certain faction, it will be impossible to hold a fair and free general election in Cambodia and the consequence will be distressing. Therefore, the setting up of a UN administration in Cambodia in the interim period must have a precondition, namely, both the regimes in Cambodia—one is the illegal Phnom Penh regime propped up by Vietnamese aggressors and another is the Democratic Kampuchean coalition government universally recognized in the United Nations—must be dismantled lest a chaotic situation emerge in Cambodia.

In the press communique the representatives of the five countries point out: There is a "need to create a climate of trust and confidence which will facilitate the resolution of military issues." This has explicitly pointed out an important issue for the complete and just political solution of the Cambodian issue. The "military issues" referred to here have two aspects: One is the question of genuine withdrawal of all Vietnamese troops from Cambodia and another is the question of how to deal with the troops of Cambodia's four factions. On the question of Vietnamese troop withdrawal, it is pointed out in the press communique that "verified withdrawal of foreign troops from Cambodia is essential to effective UN operations." This is quite necessary because Vietnam's unilateral troop withdrawal from Cambodia last September and rejection of effective international supervision were not endorsed by the international community. In fact, Vietnam has not withdrawn all its troops and is still occupying and controlling Cambodia.

On the question of the troops of Cambodia's four factions, the press communique says that the representatives of the five countries have discussed the issue and pointed out the "question of disarming all the factions." This is also a very important issue on which no agreement has been reached. Cambodia's four factions have their own armed forces. If these are not disbanded, armed conflicts are likely to start again and the cease-fire agreement, if any, cannot possibly be implemented and there is the danger of a civil war. These armed forces are also likely to meddle in the general election in the interest of a certain faction, so that the general election

can neither be held fairly and freely nor reflect popular will. At the consultations, therefore, the Chinese representative said that the armed forces of Cambodia's four factions, including troops, police, and armed militia, must be totally disbanded and regrouped into areas designated by the United Nations. As for Cambodia's state security and social order in the interim period, the UN peace-keeping forces must be responsible for them.

Judging by the press communique, during the consultations the representatives of the five countries have also reached some concrete agreements, such as agreeing to the UN secretary general's decision to establish a special work team on the Cambodian issue and to dispatch a UN investigation team to Cambodia at an appropriate time. All these help strengthen the UN role in the course of resolving the Cambodian issue.

During the current substantive discussions, the representatives of the five countries have also increased mutual understanding, but differences still exist and continued discussions are needed. It is also necessary to hold discussions with other countries concerned, especially the ASEAN nations and the various Cambodian factions, in order to find a comprehensive and fair political solution to the Cambodian issue as soon as possible.

'New Trends' in Cambodian Situation Examined

*HK2202073590 Beijing JIEFANGJUN BAO
in Chinese 5 Feb 90 p 4*

[Article by staff reporter Chen Xiong (7115 7160): "New Trends in the Cambodian Situation"]

[Text] The Cambodian issue has recently become the focus of international attention. To promote the Cambodian peace process, many countries in the international community, including the five permanent members of the United Nations Security Council, have been conducting frequent diplomatic activities and consultations to explore the best available political solution to the issue. In Cambodia, fierce battles are still going on between the resistance forces and Vietnamese-Phnom Penh troops. At the same time, however, the parties concerned are maintaining a healthy dialogue. It is therefore natural that such a situation, in which dialogue is interspersed with battles, would arouse concern.

We are all aware that war has prevailed for over a decade in Cambodia. Not only has it brought catastrophe to the Cambodian people and great misfortune to the Vietnamese masses, it has also seriously affected peace and stability in Southeast Asia and even the world. As the various worldwide "hot spots" of conflict are in general cooling off, it is hoped that the Cambodian issue will be resolved at the earliest possible date. Since last autumn, various factors have contributed to the unfolding of a vivid picture in the Cambodian situation. On the one hand, battles between hostile forces on the Cambodian battlefield have intensified; on the other, negotiations and dialogues with a view to the political settlement of the Cambodian issue have also been stepped up.

On the battlefield, the Cambodian resistance forces and the Vietnamese-Phnom Penh troops are engaging in continuous and vigorous warfare. In late September last year, Vietnam announced that it had "withdrawn all its troops" from Cambodia. Actually, there are still some 80,000 to 100,000 regular Vietnamese troops and troops which have been disguised as Phnom Penh puppet soldiers in that country. Vietnam has played this trick with the transparent motive of maintaining its control over Cambodia. Under such circumstances, the invasions and counterinvasions will surely persist, but the war situation will not be the same again. While the Vietnamese-Phnom Penh troops are presently in a position of passive defense, the Democratic Kampuchean resistance forces, whose position has changed from one of defense to one of attack, is scoring victory after victory. In late October last year, troops of the three factions of the Democratic Kampuchean resistance forces joined forces and launched an attack on Pailin, a strategically significant location situated in western Cambodia. One brigade of Phnom Penh puppet troops was completely wiped out, and three regular Vietnamese divisions were routed. Furthermore, the resistance troops displayed every intention of surrounding Battambang, Cambodia's second-largest city. The Phnom Penh regime, greatly alarmed by this turn of events, had no choice but to enforce martial law in Battambang, which was immediately followed by a curfew in Phnom Penh. Since last November, when Cambodia entered its dry season, the tripartite resistance troops have been scoring major successes in the implementation of new war plans. The first is their sweeping attacks on the enemy's strong-points and fortresses on the Cambodian-Thai border. After fierce battles, the National Army of Democratic Kampuchea recaptured the strategic locations of Phnom Melai and Phnom Makhiem. The Sihanoukian National Army captured the stronghold of Thmar Puok. The Khmer People's National Liberation Army seized important cities such as Svay Chey, Am Pil, and Samlot. The aforesaid forces have thus re-established strong rear bases. The second is damaging and severing their enemy's strategic traffic routes. At present, the main railroad between Phnom Penh and western Cambodia and Highways Nos. 5, 6, and 56 have been either cut or destroyed. This has made it extremely difficult for the enemy to replenish its supplies. The third is penetrating the interior to carry out harassing operations. The radius of activity, having reached Kompong Thon, Pompong Cham, and Angkor, has now touched the outskirts of Phnom Penh. One-third of Cambodia has been liberated once again. This turn of events on the battlefield has brought tremendous pressure to bear on the Phnom Penh regime.

At the negotiating table, the Democratic Kampuchean resistance forces adopt the principle of taking the initiative. They are seeking to resolve the issue through dialogue with Vietnam and the Phnom Penh regime. This is also in accordance with what the world has wanted and hoped for.

As we all know, after the international meeting in Paris on the Cambodian issue was convened in August last year, the five permanent members of the UN Security Council met again in Paris in mid-January this year to discuss the settlement of the Cambodian issue and reached various agreements in principle to that effect. This has provided a good international backdrop for peace talks by all parties in Cambodia. Conforming to this tide and proceeding from the desire to achieve national reconciliation, the Democratic Kampuchean resistance forces hold high the banner of political settlement. Despite their favorable position on the battlefield, they are still striving earnestly to resolve the issue through peaceful dialogue. In a 3 January statement this year, Norodom Sihanouk, President of Democratic Kampuchea, reiterated that it is necessary to bring into play the UN role in the settlement of the Cambodian issue; that the withdrawal of Vietnamese forces should be monitored by the United Nations; that the Democratic Kampuchean and Phnom Penh governments should be dissolved and their troops disbanded; that UN peacekeeping forces should be dispatched to Cambodia; that a provisional quadripartite coalition should be set up; and that the four political forces in the country, including the Khmer Rouge, should participate in Cambodia's peace process. On 6 and 16 January, Democratic Kampuchean Vice President Khieu Samphan and Prime Minister Son Sann also put forward and expounded, in Bangkok and Paris respectively, concrete proposals and measures for an all-round political solution to the Cambodian issue. They both felt that consultations should be carried out, with the Phnom Penh regime as one of the parties. Kampuchea's reasonable proposals have won acclaim and support in the international community. On the other hand, the Hanoi and Phnom Penh governments have talked more about "peaceful dialogue" than ever before. They have also been forced to change their tune. Both governments now say that they agree, with conditions, to let the United Nations play a part in the settlement of the Cambodian issue, but there are no substantive changes in their basic stance. Hanoi still supports the Phnom Penh authorities' retention of its illegal regime and objects to the Khmer Rouge's participation in a future provisional government. Vietnam's position has made it impossible to break the deadlock in the negotiations regarding the Cambodian issue. In the so-called "Leopard Skin" plan, which Hun Sen put forward on 24 January, it was suggested that the Phnom Penh and Democratic Kampuchean governments should "administer their respective territories," and that their troops should "remain in their own locations," after which the United Nations would be responsible for the arrangement of a cease-fire and the holding of elections. Hun Sen's proposal reflected the fact that Phnom Penh had no choice but to acknowledge defeat on the battlefield, and that the regime was trying to secure the aid of the Vietnamese troops, whose withdrawal was in name only, to await an opportunity to make a counterattack, in order to continuously retain its rule in the country. Such "stalling tactics" are of no help whatsoever to the comprehensive political settlement of the Cambodian issue.

It has come as no surprise, therefore, that Hun Sen's proposals were rejected by the Democratic Kampuchean resistance forces and criticized by just international opinion.

On the battlefield and at the negotiating table, there are clear indications that the Democratic Kampuchean resistance forces have gained the upper hand both militarily and politically, while the Hanoi and Phnom Penh regimes are becoming increasingly passive. As an old Chinese saying goes: "Whoever understands the times is a great man." People are hoping that Vietnam and Phnom Penh will examine the current situation and change their rigid stance by accepting the correct proposals put forward by the Coalition Government of Democratic Kampuchea and the international community for the comprehensive political settlement of the Cambodian issue, so that the issue will be resolved at an early date.

Article Views Prospects for Western Trade

HK2202083390 Beijing RENMIN RIBAO in Chinese
3 Feb 90 p 7

[Article by Wang Huihong (3769 1920 3163) and Ke Juhan (2688 1446 7281): "Trend of Development of the Foreign Trade of Western Countries in the Early 1990's"]

[Text]

Internationally, the Volume of Trade Will Continue To Rise and Changes Are Expected in Its Structure

The volume of international trade has been on a constant rise for six years since 1983 and its rate of increase has overtaken that of production. In the early 1990's, the industrially developed countries in the West are expected to grow faster in international trade than during the same period of the 1980's. This is largely due to the following factors: The economic growth rate of Western countries in the early 1990's is probably faster than during the same period in the 1980's; developments in technological innovation will continue to extend the range of global trade in commodities and services; further internationalization of production and further free circulation of international capital will contribute to the internationalization of commodity and service markets; regionalization of economies will accelerate intraregional circulation of commodities and services; and China, the Soviet Union, and East European countries will also extend their trade contacts with the West. However, the imbalance of trade among the industrially developed countries in the West will intensify trade protectionism and aggravate trade wars. It will also impede trade development in the West, making it hard for those countries to maintain, in the early 1990's, the growth rate of foreign trade in the late 1980's.

In coming years, the regional structure of international trade may go through some changes in the following respects. First, world trade is becoming progressively

regionalized. According to a report by the World Bank, from 1987 to 1988, the interregional trade volume increased by 25 percent in Asia; over 10 percent among the 12 EEC countries; in North America, over 12 percent between the United States and Canada; and over 40 percent between the United States and Mexico, all beyond the global average level of 8.5 percent. The regionalization of world trade will definitely go along with the regionalization of economy. Second, the West Pacific region will be playing an increasingly prominent role in global trade. The volume of its trade with North America and West Europe in 1988 increased by 23.8 percent and 16.5 percent respectively over the previous year. But the same period saw an increase of a mere 14.1 percent in the trade volume between North America and West Europe. For some time to come, the pace of economic development in the West Pacific region will lead the world, and international investment will also be relatively brisk there. This will effect a rapid development of trade contacts both within and beyond the region. Third, although the industrially developed countries in the West are still in the lead in global trade, they will be losing weight, while the status of the Asia-Pacific developing countries or regions is rising in global trade. As estimated by the "COMMERCE BUSINESS DAILY [SHANGYE RIBAO]" of the United States, as far as volume of trade is concerned in the coming 10 years, developed countries will have a reduced proportion of global trade, from 72 percent to 68 percent, whereas underdeveloped countries will enjoy a boost, from 23 percent to 27 percent.

The imbalance of trade among the Western powers has been an outstanding issue in global economic development in the 1980's and also an important cause of the turbulence of the international money market and the intensification of conflicts among the major industrially developed countries in the West. To tone down the conflicts and stabilize international economic development as a whole, the much-benefited American trading partners such as Japan, West Germany, and the "Four Little Dragons" of Asia, under pressure from the United States, have had to make necessary concessions by opening markets in a limited way, boosting domestic demand, revaluation, and diversifying exports to adjust their trade relations with the United States. In the meantime, the United States has been able to improve the quality of its products through readjustment of its industrial structure and technological transformation of industries. The exchange rate of the U.S. dollar has been lowered since 1985 and the competitiveness of product prices has also been remarkably enhanced. Therefore, in the past one or two years, the trade imbalance in the West has been somewhat eased. In 1988, the adverse foreign trade balance of the United States was down 21 percent, compared with the previous year and its trade deficits with Japan, West Germany, and the "Four Little Dragons" of Asia decreased by \$4.4 billion, \$3 billion, and \$5.5 billion respectively. Nevertheless, regaining a trade balance in the West will continue to be a slow and involved process. As a matter of fact, the trade profits of

Japan and West Germany have already been on the rise since mid-1988 and the rate of decrease of American trade deficits has been much reduced. In the early 1990's, imbalance in trade will remain one of the prominent economic issues among the Western countries. First, the continuous decline in the competitiveness of American products over a long period has been closely related to the decline in American economic strength and in its economic status in the world. To reverse this unfavorable trend is in no way an easy task and it is beyond the ability of the Bush administration to achieve it within the present term. Second, the financial deficits of the United States make it impossible for the U.S. dollar exchange rate to be further lowered by a big margin. Third, the readjustment of economic and trade policies has an impact on the fundamental interests of all parties concerned. Therefore, each time the United States forces a concession from its trading partners, the effect will be partial and only last for a short time. As another report shows, Japan may again have a two-digit rate increase in investment in the 1990's, thus further stretching the discrepancy in investment between the United States and itself and making it even harder to improve the imbalance in relations between these two countries, where the trade imbalance has been most serious.

There Will Be a Tougher Scramble For the International Market and Friction Among the United States, Japan, and Europe Will Continue On and Off

The existence and development of trade imbalances are bound to cause trade protectionism to spread and give rise to a tougher scramble for the international market. For this reason, as far as international trade is concerned in the early 1990's, the frictions and disputes among the United States, Japan, and Europe will be on and off continuously. This situation will probably be seen with the following features: (1) In the 1980's, the frictions in Western trade occurred with the United States in the spotlight and were mostly U.S.-Japan and U.S.-Europe cases. Into the 1990's, Japan may depend less on the American market and more on the West European market, and the frictions in trade between Japan and Western Europe will gradually become prominent. (2) With the formation of economic regional blocs in the West, trade frictions will be tinged with regional colors, adding to the difficulty in relaxing conflicts. (3) In the 1980's, the scope for trade frictions in the West has extended from farm produce, conventional industrial products, and trade in labor services to other fields such as high tech products. As the proportion of trade in both labor services and high tech products increases, the conflict in these two fields will be aggravated. (4) In order to avoid protectionist barriers, various parties will depend more on direct investment to occupy each other's commodity markets, thus complicating and deepening trade frictions. (5) With the scope of trade frictions ever expanding and under the influence of the formation of regional blocs, the global system of free trade has reached a "crossroads." While strengthening bilateral dialogues on trade, the United States has been trying to

resume its status and influence in the General Agreement on Tariffs and Trade and to improve its foreign trade prospects through multilateral trade negotiations. In practice, however, the United States, West Europe, and Japan have all been tackling many of their sensitive problems through bilateral agreement. The two forms of trade agreement, bilateral and interregional, are becoming more readily accepted. It seems that the postwar international system of free trade is likely to continue on the declining track developed in the 1980's.

Naturally, however, as the international economy is developing into an organic whole, the economic interdependency among the Western powers will become deeper, and their coordination and cooperation are still absolutely necessary.

United States & Canada

Further on U.S. Human Rights Report

RENMIN RIBAO Criticism

HK2302103090 Beijing RENMIN RIBAO in Chinese
22 Feb 90 p 6

[Report from Washington: "U.S. State Department Releases Report on Human Rights, Willfully Distorting China's Reality and Interfering in Its Internal Affairs"]

[Text] Washington, 21 Feb—The U.S. State Department today released its annual "Human Rights Report," willfully distorting China's reality and interfering in its internal affairs under the pretext of human rights problems.

Of the over 1,000-page report, 24 pages are devoted to attacking China's "human rights situation." This part of the report wantonly charges the Chinese Government for quelling the counterrevolutionary riot which took place in Beijing last year, and claims that there were many serious cases of "violating human rights" in Tibet and other places in China last year. The report even slanders China's policy on planned parenthood.

The report makes all-out efforts to distort the truth of the Tiananmen incident, which constitutes the heart of the part concerning China, directs the spearhead of the criticism at the four cardinal principles which the Chinese people uphold, and groundlessly charges that the Chinese Government has "reinforced totalitarian measures and gagged different political views." The author of the report persists in repeating lies and clichés about "Beijing massacre" and "nation-wide suppression," disregarding the truth. The report also says that the "China's human rights situation greatly deteriorated in 1989," and "the suppression continued until the end of last year."

The report wantonly distorts and attacks the civil rights enjoyed by the Chinese people, describing China's adherence to the four cardinal principles as "restricting the freedom of speech." The report even goes so far as to

charge that China's identification card system is designed to "restrict the movement of Chinese citizens within the country." It also flagrantly slanders China's political system, saying that the Chinese people "do not have the right to peacefully and legally change their government."

The report also groundlessly slanders China's policy on birth control, accusing the Chinese Government of "interfering in individual and family affairs," and exaggerates separate cases arising in the course of implementing the policy on birth control.

Diplomat on 'Groundless Charges'

OW2302125490 Beijing XINHUA in English
1231 GMT 23 Feb 90

[Text] Beijing, February 23 (XINHUA)—A Chinese veteran diplomat has slashed the U.S. Government report which has just been released on human rights as another "stake in gambling" with the fabrication of stories against the Chinese Government and people.

Fu Hao, vice-chairman of the Foreign Affairs Committee of the National People's Congress [NPC], was speaking at the 12th meeting of the NPC Standing Committee which ended today.

He said: "Basing its case on lies and rumours, the U.S. Government has made groundless charges against China, flagrantly intervening in China's internal affairs and infringing upon China's sovereignty."

Fu, who was once Chinese ambassador to Japan and Vietnam and a former vice-minister of foreign affairs, said: "I wholeheartedly support the statement of the Chinese Foreign Ministry released yesterday."

"The U.S. Government has stuck to a policy of hostility towards China and has unscrupulously attacked the Chinese Government. This has fully revealed its ulterior motive of pursuing hegemonism and power politics."

Fu added: "The Chinese people have never yielded nor will yield to any foreign pressure. Any attempt to intervene in China's internal affairs will be doomed to failure."

Envoy Forwards Protest

OW2302074690 Beijing XINHUA in English
0649 GMT 23 Feb 90

[Text] Washington, February 22 (XINHUA)—On the morning of 22 February, Zhu Qizhen, Chinese ambassador to the United States, forwarded upon instruction to Robert Kimmitt, U.S. under secretary of state for political affairs, the statement of the Ministry of Foreign Affairs of the People's Republic of China on the U.S. State Department's "Country Reports on Human Rights Practices for 1989" which had attacked China. The statement was issued on the same day. It said that the Chinese Government and people expressed their utmost indignation at this act by the U.S. Government which

violated the basic norms governing international relations, grossly interfered in China's internal affairs and seriously encroached upon its sovereignty, and thereby a strong protest was lodged with the U.S. Government.

Ambassador Zhu stressed the following points: Since last June, the U.S. Government, taking the "separation of the executive, legislative and judicial powers" as an argument, has often tried to shirk its due responsibility for actions taken by some members of the U.S. Congress to undermine Sino-U.S. relations. This time it is the U.S. Government itself that insists on slandering and attacking the Chinese Government and leaders in its human rights report in disregard of repeated representations and warnings from the Chinese side. This action, by seriously hurting the feelings of the Chinese people and interfering in China's internal affairs, has once again severely damaged Sino-U.S. relations.

Ambassador Zhu pointed out that Sino-U.S. relations can only be based on the principles guiding the relations between the two countries as affirmed by all Sino-U.S. joint communiques, especially the principles of mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs. The Chinese Government urges the U.S. Government to honour its words with deeds and make efforts to bring Sino-U.S. relations back on the normal track at an early date. Otherwise, it can only be the U.S. Government that will be held responsible for all the serious consequences arising therefrom.

Article Reviews Baker Visit to Moscow

HK2202140190 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 8, 19 Feb 90

[Article by Huai Changbo (2037 2052 3134): "Baker's Visit to Moscow"]

[Text] Washington—U.S. Secretary of State James Baker visited Moscow between 7 and 10 February, and made preparations for the U.S.-Soviet superpower summit to be held in Washington in June.

During the visit, Baker and Soviet Foreign Minister Eduard Shevardnadze conducted long talks between themselves, and in large groups on the world situation, East-West relations, and bilateral cooperation. Baker also exchanged views with Soviet leader Gorbachev on a wide range of issues. Baker and Shevardnadze issued the "U.S.-Soviet Joint Statement," and "U.S.-Soviet Joint Statement on Chemical Weapons." The two sides decided that Baker and Shevardnadze are to continue their negotiations in a meeting for the North Atlantic Treaty Organization (NATO) to be held in Ottawa, Canada's capital city, between 12 and 13 February, and the Warsaw Pact "space-opening" conference. Baker and Shevardnadze will also hold talks in Washington prior to the superpower summit in June. The "U.S.-Soviet Joint Statement" said that the recent Moscow meeting was "a helpful and important step" in the preparations to make the super power summit in June a success.

The recent U.S.-Soviet foreign ministerial talk was determined at the Malta U.S.-Soviet "informal" summit held in early December 1989. Bush and Gorbachev unanimously agreed to further the bilateral talks between the foreign ministers of the two countries to remove the last hurdles on the way in the talks on strategic arms so that an accord may be reached at the summit in June. The "U.S.-Soviet Joint Statement" has pointed out that to realize this goal, the two sides "have reached unanimity, or exchanged new proposals in some spheres."

The two sides "have made important progress in finding a package solution" to air-based cruise missiles with the exception of the range limit, and the two sides made "sound progress" with regard to "sea-based cruise missiles," and agreed on handling this issue in a declaration that has some political restriction, and is parallel to the "Treaty on Restricting Strategic Weapons" with specific issues to be discussed by representatives of the two sides in Geneva. Regarding the technical obstacles in intercontinental missiles and warheads, the monitoring of land-based mobile missiles, and remote tracking of ballistic missiles, principled unanimity has been reached, or new proposals on the issue have been exchanged.

Bush and Gorbachev also required Baker and Shevardnadze to further push forward the progress of talks on regular forces in Europe and banning chemical weapons. The "U.S.-Soviet Joint Statement" said that the two sides reaffirmed their determination to reach an accord on regular forces in Europe as early as possible in 1990. President Bush proposed in his "State of Union Address" delivered on 31 January that the two superpowers each maintain 275,000 troops in Europe. The Soviet side has welcomed the U.S. proposal; however, it advocated that disarmament should not be confined to Central and Eastern Europe but include all of Europe, because the United States continues to station 30,000 troops in the United Kingdom, Italy and Greece. The U.S. side has expressed that it will not insist on its troops stationed in Europe surpassing the USSR in number. On the issue of banning chemical weapons, the two sides actually agreed on Bush's project proposed at the United Nations in November 1989, namely, the United States and the USSR would first reach an accord on chemical weapons, and destroy "a considerable quantity" of their chemical weapon reserves as the initial step. All countries possessing chemical weapons' capability would initial a world pact on banning chemical weapons, and the United States and the USSR would destroy all chemical weapons in each possession in two steps within a 10-year span.

The Moscow talks also focused on German reunification, an issue of world concern, and the world's hotspots, including Afghanistan and Central America. German reunification is a matter that has a bearing on the overall situation in Europe, and even the world pattern and balance. Recently, diplomatic activities have been busy on all sides, and the superpowers' attitude has been all the more eye-catching. The United States and the USSR have common interests, while differences remain

between them. For each its own security and interest, both have exerted their influences. This issue was regarded as the most thorny in Baker's visit to Moscow. The USSR has supported the GDR leader's proposal on maintaining neutrality after German reunification. In his talks with Gorbachev, Baker stated that the reunified Germany would remain in NATO or to be linked to it. A TASS commentator refuted it, saying Baker's plan "can hardly be viewed as constructive and realistic." As for the Afghanistan issue, Baker brought along the U.S. "new position," namely, the United States no longer demands the desposal of Mohammad Najibullah as a precondition for a political settlement of the Afghanistan issue; however, it requires Moscow to guarantee that Najibullah must leave Afghanistan as soon as the talks on Afghanistan's future begin. The two sides have not reached an accord on this issue; however, they agreed that talks would soon be held at the level of experts to discuss the issue of setting up "a government with extensive groundwork," to guarantee the peace, independence and non-aligned status of Afghanistan. The United States looks upon Central America as its own "backyard," and exclusive domain, and it was tough in its attitude and added pressure on the Soviet side, requiring the latter to stop its support of Nicaragua and Cuba.

It is reported that another aim of Baker's visit to Moscow was to study the trends of the Soviet political situation, to push forward the "democratic evolution" in the USSR. At the Malta summit, Bush urged Gorbachev to implement a market-oriented economy and "democratic evolution" at home. When Baker testified on the foreign policy at the Senate Committee of Foreign Relations he further explained the Bush administration's strategic intention toward the USSR in the "new stage" of U.S.-Soviet relations. He said that the Bush administration "pins great hopes" on the success of Gorbachev's "perestroika"; however, the United States regards "perestroika" as the means but not the end. The U.S. goal is: Through reaching a treaty on monitorable arms control to formulate measures to build up trust, and a new strategic relationship with the USSR; and through urging the USSR to help in halting regional conflicts by peaceful means and to establish a new global relationship with the USSR. At the same time, the United States seeks a "more democratic Soviet Union, so that "human rights" will become permanent. To achieve this, the United States will extend the agenda in the ties with the Soviet Union. The United States will provide the USSR with technological cooperation, when Soviet reform gets rid of its mandatory economic pattern.

When Baker arrived in Moscow on 7 February, the plenary session of the CPSU Central Committee was still under way. At a press conference in Moscow on 9 February, Baker said that the two sides had devoted "considerable time" in discussing the conditions of the plenary session of the CPSU Central Committee. The two sides agreed upon determining a date to discuss and conduct talks on extensive economic issues, including

the prospects of a U.S.-USSR trade accord. On the morning of 10 February, Baker met representatives of the Supreme Soviet Committee of International Relations at its invitation. In briefing them on U.S. diplomatic policy, he focused on the Western value concept. It was unprecedented for an important U.S. Government official to attend the meeting at a Soviet legislative organ.

That was Baker's second visit to Moscow. Since his first visit to the Soviet capital in May last year, drastic changes have taken place in the USSR and East Europe, and marked changes are also seen in the balance of strength between the East and West, in a situation by which the United States has launched an offensive, while the USSR is on the defensive. The recent Moscow talks have further reflected this state of affairs. In a statement made to the Moscow press Baker declared that the U.S. side made "unexpected progress" on the issue of axing strategic weapons. The United States believes that the USSR was in a hurry to reach an accord, so that money may be saved to improve its domestic economy; whereas the United States should make good use of this "historical opportunity" to seek the greatest benefits in the U.S. interest. However, the momentum of the new U.S.-USSR balance of strength is still not strong enough to change the pattern by which the two superpowers remain the major opponents. The "U.S.-USSR Joint Statement" said that although marked improvement has surfaced in the understanding, cooperation, and characteristic of demanding common interest, "some major disputes remain between the two parties." Baker cited an example saying that the two sides are still being acutely antagonistic on the issue of the USSR sending its MiG-29 to Cuba. According to another report, Baker warmly debated with Soviet officials on U.S. policy in answering questions at the Supreme Soviet Committee of International Relations. Baker met with strong attacks from Soviet representatives on the issues of invading Panama, refusing to discuss naval disarmament, insisting on nuclear tests, and maintaining military bases along the border areas of the USSR. Gorbachev's Military Consultant Marshal Akromeyev stood up and brought Baker to account: "You continue to proceed from your strength in your behavior."

Li Ruihuan Meets U.S. Professor

OW2202141390 Beijing XINHUA in English
0917 GMT 22 Feb 90

[Text] Beijing, February 22 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met Dr. C. K. Hsu, a professor of the University of Pennsylvania of the United States, here today.

They had a cordial conversation.

Dr. Hsu is here on a visit at the invitation of the Ministry of Agriculture.

Song Jian Meets Canadian Business Executive*OW2202153390 Beijing XINHUA in English
0923 GMT 22 Feb 90*

[Text] Beijing, February 22 (XINHUA)—Chinese State Councillor Song Jian met with David Vice, president of the Northern Telecom Limited, and his party here this afternoon.

The Canadian visitors are here to present a set of digital program-controlled exchange to the 11th Asian Games.

Soviet Union**Heilongjiang Expands Border Trade****'Impressive Headway'***HK2202064690 Beijing GUOJI SHANGBAO in Chinese
3 Feb 90 p 1*

[Article by Sun Yongxiang (1327 3057 4382), Hu Hai-qing (5170 3189 7230) and Zhao Yingqi (6392 5391 3823): "Heilongjiang Makes Impressive Headway in Border Trade With the Soviet Union Last Year"]

[Text] Heilongjiang's border trade with the Soviet Union is developing in the process of rectification. Last year, there was a significant increase in Heilongjiang's economic and trade relations with the Soviet Union. Newly signed barter trade contracts amounted to 1.7 billion Swiss francs, which represented an increase of 90 percent over the previous year. The value of imports and exports exceeded 570 million Swiss francs, nearly twice the previous year's figure. There were 154 items of economic and technical cooperation, involving a total value of 260 million Swiss francs. The number of engineers, technicians and laborers working in the Soviet Union was 11,900.

The year 1988 saw a breakthrough in the development of Heilongjiang's border trade work with the Soviet Union. However, because of certain factors, one of which pertained to excessive development, some problems appeared in the progress of border trade work. To facilitate the healthy development of border trade work and guide it onto the right track, the Heilongjiang Provincial CPC Committee and the provincial government have conscientiously implemented the State Council's decision regarding the screening and rectification of companies. A number of mismanaged companies which were founded and managed by party or government organizations were abolished. In the course of screening and rectification, the province paid attention to maintaining stability in its foreign economic and trade relations, and safeguarding its reputation in foreign trade. Companies whose operations rights had been revoked could make a careful follow-up, and contract terms which had to be fulfilled were resolutely fulfilled by companies which possessed operations rights.

To strengthen the government's macro-regulation and control capability, the Heilongjiang Provincial People's Government issued, at different times last year, guideline documents concerning economy and trade management, the three forms of import processing and compensation trade, joint ventures, and cooperative enterprises. The provincial border economic and trade management bureau formulated various regulations, including those with regard to the contracting of projects and labor service cooperation. Such policies and regulations played a significant role in ensuring the standardization and systemization of border trade work.

Because of the continuous increase in the export of labor, the province gradually formed a system for recruitment, political examination, and training of laborers and management outside the province. To continuously enhance the quality of staff members involved in border trade work, the border trade bureau of the province organized business training courses in trade, economic and technical cooperation, transportation and statistics. Such courses were attended by more than 500 persons.

Growth To Continue*OW2202191390 Beijing XINHUA in English
0859 GMT 22 Feb 90*

[Text] Harbin, February 22 (XINHUA)—Heilongjiang Province in northeast China will continue to expand border trade with the Soviet Union this year, Du Xianzhong, deputy-governor of the province, announced here today.

As well as exporting more goods to the Soviet Union, the province plans to increase to 15,000 the labor force it sends there.

The value of the trans-border trade between Heilongjiang and the Soviet Union last year was 590 million Swiss francs, up 200 percent on the total for the previous year.

The deputy-governor said Sino-Soviet border economic and trade co-operation has expanded from contracting for building projects and labor services to setting up joint ventures, and technical cooperation.

To increase the border trade, the province has also improved land and water transport facilities.

Military Experts End Talks in Beijing*OW2302083190 Beijing XINHUA in English
0759 GMT 23 Feb 90*

[Text] Beijing, February 23 (XINHUA)—Chinese and Soviet diplomatic and military experts have ended their second round of talks, according to the Chinese Foreign Ministry here today.

The talks were held in Beijing between February 8 and 22.

Experts of the two sides discussed the principles guiding the reduction of military forces on the Sino-Soviet border and the strengthening of mutual trust in the military field, which both sides believed, are of great significance to the development of good-neighborly relations between the two countries on the basis of the principle of peaceful coexistence.

The talks proceeded held in an earnest atmosphere, according to the Foreign Ministry sources.

The Chinese group was headed by Liu Guangzhi, deputy director of the Department of the Soviet Union and East European Affairs of the Chinese Foreign Ministry. The Soviet group was headed by G.V. Kireyev, director of the Asian Socialist Countries Bureau of the Soviet Foreign Ministry.

Both sides agreed that the talks will be held again.

Chinese Vice-Foreign Minister Tian Zengpei and deputy chief of the General Staff of the Chinese People's Liberation Army Xu Xing respectively met the Soviet group.

Northeast Asia

Patent Agents Meet With Japanese Counterparts

OW2302095090 Beijing XINHUA in English
1212 GMT 22 Feb 90

[Text] Beijing, February 22 (XINHUA)—Chinese patent agents and Japanese patent attorneys gathered here today for the first time to exchange views on their work at a seminar.

A delegation of the Patent Attorneys' Association of Japan said they hope to familiarize themselves with China's patent work so as to be able to advise Japanese patent agents on how to apply for patents in China for Japanese clients.

Liu Gushu, president of the All China Patent Agents' Association, said the Chinese wanted to learn the patent trends of other countries in order to revise the Chinese patent law and make it more rational.

XINHUA learned at the seminar that the Chinese patent law, which has been implemented for five years, is being revised and that the duration of patent rights for inventions will probably be extended several years longer than the present 15 years.

In the past five years the China patent office has received 25,171 overseas patent applications, of which 3,093 have been granted.

China has four patent agencies dealing with foreign patent applications. They are the China Patent Agent (H.K.) LTD., NTD Patent Agency Limited (H.K.), the Patent Agency of the China Council for the Promotion of International Trade, and the Shanghai Patent Agency.

These agencies also deal with patent disputes referred to them by foreign companies.

Association Established for Japanese Studies

OW2202040890 Beijing XINHUA in English
0827 GMT 20 Feb 90

[Text] Beijing, February 20 (XINHUA)—The China Society for Japan Studies, an association that aims to push ahead with Chinese research on Japan, was founded here today.

A civilian academic group, the society is to contact and unite scholars in Japan studies across China and conduct research on Japan covering various fields in social science. The society will also provide a forum for academic exchanges for Chinese and foreign scholars.

Experts say the establishment of the society means that China's Japan studies will "enter a new era".

Xia Yan, a 33-year-old scholar who has dedicated himself to Sino-Japanese friendship, has been elected honorary president of the society. He has called on scholars to conduct research over a wide field, including history, social psychology and anthropology, in order to promote understanding and friendship between the two countries.

Liu Deyou, vice minister of culture, has been elected president of the society and Zhou Yiliang, Xu Dan and Luo Weilong have been chosen as vice presidents.

The society says that some 1,500 scholars in China are now involved in Japan studies, and some local societies already exist. China publishes 10 magazines on Japan studies now and about 1,100 theses appeared in print in 1988 alone.

Moves Taken To Stop Spread of Mongolian Unrest

HK2002020190 Hong Kong SOUTH CHINA
MORNING POST in English 20 Jan 90 p 13

[By Willy Wo-lap Lam]

[Text] Beijing is making an all-out effort to prevent the liberalisation movement in Mongolia spreading to the Inner Mongolian Autonomous Region and other parts of China.

Over the weekend, the party General Secretary, Mr Jiang Zemin, held talks with Mr Lodongiin Rinchin, head of the International Liaison Department of the Central Committee of the Mongolian People's Revolutionary Party (MPRP).

"The People's Republic of Mongolia is a friendly neighbour of China," the New China News Agency (NCNA) quoted Mr Jiang as saying.

Mr Jiang added he was confident relations between the two parties and countries would grow through constant exchanges and contacts.

The meeting coincided with the founding in Ulan Bator of the Mongolian Democratic Party, the country's first independent party which has called for an end to one-party dictatorship.

Mr Jiang's warm words are interpreted as Beijing's endorsement of the shaky MPRP and the principle of solidarity among communist nations.

Diplomatic sources say Mr Jiang expressed concern that the liberalisation movement in Mongolia would affect the morale and communist faith of the three million ethnic Mongolians who inhabit the Inner Mongolia Autonomous Region.

This is in spite of the fact that ethnic Mongolians are heavily outnumbered by Han settlers in Inner Mongolia.

A Western diplomat said: "Beijing is worried about perestroika-style reform spreading to such Asian socialist countries as Mongolia and North Korea.

"Rinchin's visit may have been an effort by the Mongolian party—and Moscow—to assure the Chinese party."

The NCNA reported that Mr Rinchin conveyed regards from Mr Zhambyn Batmonkh, general secretary of the MPRP, to Mr Jiang.

Mr Rinchin's party arrived in Beijing on February 12 and has held talks with Mr Zhu Liang, head of the Chinese party's International Liaison Department.

The Mongolian guests left yesterday after having visited Fuzhou, Quanzhou and Xiamen in east China's Fujian province.

Inner Mongolia-Mongolia Cooperation Meeting Held

SK2202045290 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 18 Feb 90

[Text] The meeting on technological and labor service cooperations and barter trade between China's Hohhot Railway Bureau and Mongolia's Ulan Bator Railway Bureau was held in Hohhot recently. At the meeting, the two parties reached an agreement on matters relating to cooperation.

Over the past few years, along with the development of an open policy, the border, railway, technological, and labor service cooperation and the barter trade between the Hohhot Railway Bureau and the Ulan Bator Railway Bureau have witnessed a relatively rapid progress. Based on the principles of equality, mutual benefit, and helping supply each other's needs, the two countries have exchanged with each other articles of daily use, electrical appliances for family use, medical instruments, timber, and scrap metal, thus making up for the shortages of raw materials in railway construction and strengthening the friendship between workers of the border areas of the two countries.

During the period of this meeting, the two parties fully discussed and signed an agreement on matters relating to

the building of a plant with an annual production capacity of 180,000 tons of reinforced concrete sleepers in Mongolia with the technological and labor service provided by the Hohhot Railway Bureau, exporting the reinforced concrete sleepers to Mongolia for building a main railway line, and building a residential building and other railway installations for Mongolia.

During the period of the meeting, the Mongolia railway delegation went to the Baotou Sleeper Plant to conduct an on-the-spot investigation.

Latin America & Caribbean

NPC Delegation Continues Visit to Bolivia

Meets With Vice-President, Others

OW2202213690 Beijing XINHUA in English
2001 GMT 12 Feb 90

[Text] La Paz, Bolivia, February 22 (XINHUA)—Bolivian Chamber of Deputies President Fernando Kieffer said Wednesday the Chinese Government, representing its people's fundamental interests, will lead its country to prosperity.

Addressing a Chinese National People's Congress (NPC) delegation headed by its Vice-President Ngapoi Ngawang Jigme, Kieffer expressed his understanding of the events in Beijing last year, and said that the difficulties now facing the Chinese Government are temporary.

The NPC vice-president, in a meeting the same day with Bolivian Vice-President Luis Ossio Sanjines and Bolivian National Senate President Gonzalo Valda Cardenas, stressed that China will continue its economic reforms and opening up to the outside world.

Later Wednesday, the Bolivian National Congress held a special session to welcome China's parliamentary delegation, during which the hosts praised the Five Principles of Peaceful Coexistence in international relations advocated by China.

They also wished China even greater success in building socialism with Chinese characteristics.

Meets With President

OW2302063590 Beijing XINHUA in English
0229 GMT 23 Feb 90

[Text] La Paz, February 22 (XINHUA)—Bolivia expects China's support and cooperation in the on-going international anti-drug war, Bolivian President Jaime Paz Zamora today told a delegation of the Chinese National People's Congress (NPC).

The Chinese NPC delegation, led by Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee and chairman of the NPC Nationalities Committee, is on a visit to Bolivia.

Bolivia plays an important role in the anti-drug war, the president said. There are broad areas for Sino-Bolivian cooperation, on which the Bolivian Government has discussed with Chinese ambassador to Bolivia, he added.

Ngapoi Ngawang Jigme expressed his appreciation on the Bolivian Government's refusal to allow the Taiwanese authorities to set up an official agency in Bolivia.

He also briefed President Zamora about China's domestic political and economic situations, its policies of reforms and opening to the outside world, and its position of adhering to the socialist path with Chinese characteristics.

Liu Huaqiu, Guyanan President Discuss Ties

OW2202182190 Beijing XINHUA in English
0301 GMT 22 Feb 90

[Text] Georgetown, February 21 (XINHUA)—Guyana treasures its friendly cooperative relations with China,

and hopes to further strengthen unity with China and other third countries, Guyanan President Desmond Hoyte said here today.

Hoyte made the remark at a meeting with China's visiting Vice Foreign Minister Liu Huaqiu.

Hoyte said the Guyanan Government appreciates China's effort to improve its investment climate and increase international economic cooperation.

Guyana sides politically with Chinese Government, Hoyte said, adding that the government of every country has the right to solve its own domestic affairs.

Moreover, Guyanan Minister of Foreign Affairs Rashleigh Jackson and Liu signed today an agreement on China's free aid to Guyana.

Political & Social

Wang Renzhi Views Bourgeois Liberalization

OW1602001090 Beijing Domestic Service in Mandarin
0200 GMT 15 Feb 90

["Text" of speech by Wang Renzhi, director of the Propaganda Department of the CPC Central Committee, at a theoretical study class on party building on 15 December 1989: "On Opposing Bourgeois Liberalization"—published in 15 February QIUSHI No. 3]

[Text] Wang Renzhi said: The study class on party building set a question for me and wanted me to talk about the question of opposing bourgeois liberalization. Today, I would like to brief you on some of the situations and talk about some of my views. If anything I say is wrong, please correct me and comment on it.

1. The Emergence, Development, and Rampancy of the Ideological Rend of Bourgeois Liberalization

The party Central Committee called a meeting to discuss theoretical work in the spring of 1979. This meeting played a positive role in bringing order out of chaos and carrying out thoroughgoing reform. However, some party comrades, proceeding from a rightist stand instead of the Marxist stand, went to the other extreme under the signboard of bringing order out of chaos, negating the leftist mistakes of the Cultural Revolution, and emancipating the mind. Some comrades expressed many erroneous views during the meeting. Outside the meeting, the Xidan Wall was bustling with noise and excitement where quite a few reactionary large-character posters were put up. At that time, the following were the major questions:

1. Rectification of the leftist mistakes of the Cultural Revolution developed to rectify socialism. Socialism was considered inferior to capitalism. Some comrades said that our country should not practice socialism too early and that we should make up for what we had not yet done in capitalism.
2. Rectification of the mistakes made by Comrade Mao Zedong in his later years developed to negate his glorious life and Mao Zedong Thought. Comrade Mao Zedong made mistakes in his later years, which should be corrected. However, it was under the leadership of the Communist Party headed by Comrade Zedong and under the guidance of Mao Zedong Thought that the Chinese revolution advanced toward victory. The great contributions Comrade Mao Zedong made to our party, country, and nation should not and cannot be obliterated. With the passage of time, his mistakes appear to be minor when compared to his contributions; and this will be more apparent as time continues. Negating Comrade Mao Zedong and Mao Zedong Thought will certainly lead to negating the history and leadership of the party.
3. Slogans calling for freedom, democracy, and human rights were put forward in an attempt to weaken and reject party leadership and to negate the people's democratic dictatorship.

It can be seen from such issues that since its emergence, the ideological trend of bourgeois liberalization has been diametrically opposed to the four cardinal principles. Comrade Deng Xiaoping sharply discerned the essence of the matter. Shortly before the conclusion of the theoretical work meeting on 30 March 1979, Comrade Deng Xiaoping delivered an important speech, explicitly pointing out that it is imperative to uphold the four cardinal principles in order to realize socialist modernization. However, some high-level intellectuals in the party did not accept this important speech by Comrade Deng Xiaoping. As Comrade Deng Xiaoping said later, they separated themselves from the party and went a different way. They said that the four cardinal principles constituted four sticks and set the four cardinal principles against the line laid down by the third plenary session of the party's 11th Central Committee. They also continued to persist in their erroneous stands and viewpoints and influenced young people with such stands and viewpoints. The struggle has continued since then, and there have been ups and downs.

Here I would like to mention several major events: In early 1980 and in the process of drafting the resolution on certain questions in the history of our party since the founding of the PRC, a big debate was going on summing up the historical experiences since the founding of the PRC. Many questions were being debated, but the debate was focused on whether to affirm or negate the historical position of Comrade Mao Zedong and Mao Zedong Thought. A section of the draft resolution dealt with Mao Zedong Thought in a concentrated way, but some comrades advocated deleting that section. Comrade Deng Xiaoping firmly rejected this proposition, saying: The resolution must write about Mao Zedong Thought and expound it comprehensively and accurately. It is necessary to point out the guiding role of Mao Zedong Thought at present and in the future. He pointed out: This is a political question. If the resolution does not affirm the historical position of Comrade Zedong, does not write about Mao Zedong Thought, or does not deal with it well, then it is better not to draft the resolution at all.

In 1981, a struggle focusing on "Bitter Love" took place in literary and art circles. "Bitter Love" was a play which was later made into the movie "The Sun and the Man." The movie left the impression on people that socialism was bad and so was the Communist Party. Other works distorting the history of the revolutionary struggle of the party and the people and denigrating the realities also emerged in literary and art circles.

In the spring of 1983, polemics on the question of humanism and alienation appeared in theoretical circles. Humanism and alienation was originally a theoretical academic question in the category of ideology, which could be studied and discussed. However, as Comrade Deng Xiaoping said: Some comrades hankered after discussion on human values, humanism, and the so-called alienation of socialism at that time. They were

interested in criticizing socialism—not capitalism. Comrade Deng Xiaoping pointed out that this actually could only lead the people to doubt and negate socialism. This would deprive them of confidence in the future of socialism and communism.

In press circles, a question was raised on the so-called relationship between party spirit and people's nature. Pitting the two against each other, some journalists deemed people's nature as above party spirit. They asserted that one would make mistakes following the party, but there would be no mistakes following the people. With this assertion, they negated the party's leadership over journalism.

During those few years, erroneous views continue to crop up in literary and art, theoretical, and press circles. These erroneous views could lead to the negation of the party and socialism. At the same time, a tendency of blindly following Western bourgeois ideological trends emerged in the realms of philosophy, economics, political science, sociology, literature, and arts.

In view of the above mentioned conditions, Comrade Deng Xiaoping sternly pointed out at the Second Plenary Session of the 12th CPC Central Committee in October 1983 that there existed rather serious confusions in the theoretical and literary and art circles. Calling for opposing spiritual pollution, he urged the ideological front to be free from spiritual pollution. Nobody at the plenary session disagreed with Comrade Deng Xiaoping's speech, which, however, was not seriously implemented. As is known by all, the struggle against spiritual pollution lasted a mere 28 days. It not only ended prematurely, but was followed by a counteroffensive against the struggle against spiritual pollution, alleging that the struggle was a Cultural Revolution on a minor scale. Comrades who actively carried out the central authorities' principles during the struggle against spiritual pollution were vehemently attacked. In this way, spiritual pollution continued to spread.

In December 1984 as preparations were under way for the Fourth Congress of the Writers' Association, some comrades suggested that opposition against spiritual pollution and bourgeois liberalization be omitted. At a time when the ideological trend of liberalization was rampant, the omission in these two aspects actually meant support and encouragement to advocates of liberalization. This further facilitated the spread of liberalization.

During this period, Comrade Deng Xiaoping time and again stressed the necessity of opposing liberalization—at the National Congress of CPC Delegates in 1985 and the Sixth Plenary Session of the 12th CPC Central Committee in 1986. However, this was never implemented in actual work. Those bourgeois liberalization diehards were very active, while comrades persisting in Marxism were suppressed. Finally the rampancy of the ideological trend of liberalization triggered the student unrest toward the end of 1986.

In view of the situation, on 30 December 1986, Comrade Deng Xiaoping again called for taking a clear-cut stand in opposing bourgeois liberalization. Normally, the previous lessons should be drawn upon and the struggle be earnestly carried out in accordance with Comrade Deng Xiaoping's instruction this time. However, no sooner had the struggle been launched than it was resisted by Comrade Zhao Ziyang. He dealt with the struggle in a passive attitude, finding problems and excuses as well as setting up all kinds of obstacles to limit and oppose the struggle against bourgeois liberalization. The struggle against liberalization could not be continued after a speech he made on 13 May 1987. Those who had been criticized because of the advocacy of liberalization, reappeared successively on the stage and were showered with praise and given important posts. Comrade Zhao Ziyang supported and sheltered these people, while adopting shameful means to reject and attack those upholding Marxism and opposing liberalization. Hence, the ideological trend of liberalization spread even more perniciously during these two years.

In the entire 10-year period from the meeting to discuss theoretical work from the angles of politics and principles, held in the spring of 1979, to the political disturbance in late spring and early summer of 1989, although the tendency toward liberalization rose and fell, the general trend became more and more serious. A rather comprehensive ideological system took shape as a result of advocating one erroneous reactionary viewpoint after another in the various ideological spheres. This tendency of liberalization first appeared in the form of theory and academic discussions and then evolved into direct and open opposition to the four cardinal principles, into a call for implementation of the capitalist economic and political systems and for total Westernization, and into a negation of reality, of the 40-year history of the People's Republic, of the nearly 70 years of history of our party, of China's 5,000 years of civilization, and of the entire Chinese nation. The proponents of bourgeois liberalization negate history because they want to negate reality, that is, negate the socialist system under the leadership of our party. It shows that these proponents who worship the capitalist system and the capitalist civilization of the West have finally become traitors advocating national nihilism.

These people who stubbornly adhere to the stand of bourgeois liberalization began with spreading statements and publishing articles, and later actually took part in stirring up the student movement, turmoil, and the counterrevolutionary rebellion.

In ending my simple briefing on the situation, I want to quote an excerpt of an article carried by ZHONG BAO in New York, the United States, in July of this year. Its main viewpoints are: The forward units of China's entire social sciences, as well as their most up-to-date ideology and theories, have done nothing but hurl abuses at China's history, criticize China's reality, and defame the entire Chinese nation. Whoever knows how to use new phrases will be the most appealing, and he will become a

famous person and an outstanding theoretician. An investigation of the life of the few so-called notable theoreticians who have been lauded to the skies in the past few years shows that all of them earned their reputation this way. In China, solemn sciences have in fact become a heap of garbage because they have not beautified society but are polluting society. Deng Xiaoping did not fail to see through the reality of China's social sciences, particularly the calamities that might be caused by the reality. That's why he opposes bourgeois liberalization. The problem was that Deng Xiaoping's opinion in this respect was not implemented, leading to the complete legalization of this negative ideology, which flowed from research institutions of social sciences to universities, becoming a philosophy worshipped by a large number of college students and teachers. Thus, ideology has become antagonistic to state power. Quite a number of China's institutions of social sciences are against China's political goal. These antagonistic ideological theories are more active in form and more refined in content than traditional theories and doctrines, thereby causing an extremely great impact on the fields of the economy, philosophy, and literature, and on people's entire social life. This is the ideological base causing instability in Chinese society and the source which may give rise to disturbances at any time. In 1987 a large-scale student movement occurred in Beijing, Shanghai, Hefei, and Xian, but the Chinese Government failed to draw lessons from it. In particular, it failed to solve the problems through an ideological approach. As a result, things became increasingly serious and finally evolved into the Tiananmen incident.

The title of the ZHONG BAO article is "Painful Lessons in the Ideological Sphere." I have quoted the article because I feel that its description is closer to actual conditions.

II. A Number of Major Lessons and Conclusion

1. The antagonism between bourgeois liberalization and the four cardinal principles is not only an ideological and theoretical struggle but also a political struggle. The fundamental issue of the struggle is whether to subvert or safeguard the socialist People's Republic.

At the beginning, bourgeois liberalization emerged in the realm of ideology as an ideological trend. Advocates of liberalization began with concocting and peddling all kinds of erroneous reactionary views to gradually erode and seize extensive ground in the realms of theory, literature and the arts, journalism, publications, and education. Through these fields, they spread liberalized views, attacked the party's leadership, negated the socialist system, slandered the people's democratic dictatorship, and opposed Marxism-Leninism-Mao Zedong Thought, thereby confusing theory and the people's thinking. At this stage, the struggle between bourgeois liberalization and the four cardinal principles manifested itself as an ideological and theoretical struggle in the realm of ideology. However, the struggle neither stopped nor limited itself to the realm of ideology. At the

same time, advocates of bourgeois liberalization clustered to become a kind of political force through invisible or visible and unfixed or relatively fixed forms, such as certain forums, seminars, salons, societies and organizations of society, and so on. Of these, forums and seminars were seemingly in unfixed forms but actually relatively fixed because meetings were always attended by the same people. The gradually clustered political forces actually became political opposition factions and groups of political dissidents, or, using their own terms, pressure groups. As Fang Lizhi said: We should unite and form a collective force; intellectuals should form pressure groups. These people became the turmoil elitists later. They maintained close contacts and echoed each other in concerted action. They not only carried out activities in the ideological realm but also tried to enter into the political circles, the people's congresses, and party and government organs, making a particular effort to seek top-level party celebrities as their umbrella and pillar of support. Acting in a very calculated manner, they were not fruitless in this aspect.

As soon as bourgeois liberalization formed a political force, it launched a political struggle against us, from a covert to an overt manner. The form of the political struggle waged against us ranged from discussions in the salons to the open solicitation of signatures demanding the release of Wei Jingsheng and others, and from spreading demagogic speeches among young students to instigating the recent class strike, demonstrations, sit-in, hunger strike, turmoil, and counterrevolutionary rebellion. To put it in a nutshell, this political struggle is a question of political power. As Comrade Deng Xiaoping said at the reception for cadres at and above the army level of the martial law troops in the capital on 9 June: From the onset of events, it became very clear that they had two basic slogans—down with the Communist Party and overthrow the socialist system. The political storm between this spring and summer shows that the struggle against us waged by advocates of bourgeois liberalization was aimed at subverting our socialist People's Republic and setting up a bourgeois republic totally dependent on the West.

Since the Third Plenary Session of the 11th CPC Central Committee was convened, we have persistently stressed: Class struggle is no longer the main contradiction in Chinese society and our central task is economic construction. It was wrong to take class struggle as the key link after the completion of socialist transformation of the private ownership of the means of production. However, class struggle will continue to exist within certain limits for a long time to come and may even grow acute under certain conditions. This thesis has been explicitly written down in the Resolution on Certain Questions in the History of Our Party Since the Founding of the Country and in the report at the 12th CPC National Congress. The report of the 13th CPC National Congress has also clearly stated that class struggle will exist within certain limits for a long time to come.

But, in the past few years people would not dare to discuss, or could not discuss, the question of class struggle. While others were against any discussion of such a question at all. Therefore, no clear explanations have been made as to why class struggle will exist in China for a long time, what the manifestations of class struggle are, and why, under certain conditions, it may be aggravated, and to what degree. People do not have a clear picture of this issue. Many of them have no notion of this issue at all.

This issue should now be clear. Class struggle actually exists in China. It exists in the form of struggle against enemy agents and counterrevolutionary saboteurs and also in the form of sharp struggle in the ideological sphere. To say that struggle against enemy agents and counterrevolutionary saboteurs is a class struggle may be easily accepted by the people, but usually they are not aware of class struggle in the ideological sphere, if they fail to use the method of class analysis to observe class struggle in the ideological sphere. It should be pointed out that class struggle not only exists in the ideological sphere but also may spread to the political sphere to become a political struggle. Although the social status of the class struggle in the present stage is different from that before the establishment of the socialist system, the focus of the struggle, like that of all previous class struggles, is still the question of political power. Even now this truth of Marxism is still not outdated. This was once again verified during the recent turmoil and rebellion.

The problem now is this: Is there an economic base for the people who advocate bourgeois liberalization to wage a class struggle in the ideological and political spheres? Do they get economic support for this base? This question should be studied. These people know what their viewpoints are. They place their hopes on the middle class. Historically, the middle class and the bourgeoisie were the same. During the rise of feudal societies in Europe, there were the aristocrats and the common people, and there was the middle class between them. In fact, this middle class was the bourgeoisie. In the works of Marx and Engels, the middle class and the bourgeoisie are interchangeable. In his "Analysis of the Classes in Chinese Society," Comrade Mao Zedong also used the term "middle class." He called China's national bourgeoisie the middle class in order to distinguish it from the comprador bourgeoisie and the big bourgeoisie dependent on imperialism. In short, when Marx, Engels, and Mao Zedong mentioned the middle class, they meant the bourgeoisie.

So, what do the proponents of bourgeois liberalization mean when they mention the middle class? We can tell what they mean from their own words. Wen Yuankai has said: Recently I have been interested in promoting the establishment of China's Federation of Private Entrepreneurs. They should have their own political spokesman. Private entrepreneurs should be allowed to become China's decisive force.

A scholar of the Chinese Academy of Social Sciences said: There is no middle class in China. I hope I will be able to see the reemergence of a few million capitalists and entrepreneurs. It is difficult to turn back the democratic reform in Taiwan because it is backed by a strong economic force comprising hundreds of thousands of capitalists.

Liu Bingyan said: A new social force is rising. It is the middle class. It comprises individual entrepreneurs and managers of collective enterprises. These people have a lot of money in their hands meaning they are rich and rough. When there is economic strength, there will be political strength. Some of them are not satisfied with making some more money; they demand the right to participate in state administration and to air their views. They also want to have their political representatives.

After escaping to a foreign country, Wang Runnan said: Democracy is very costly. The Tiananmen Square democracy protest cost 50,000 yuan a day. Those who supported the students at the square are individual businesses and civilian-run enterprises like the Stone Corporation. This shows that there is a natural tie between a private economy and democracy. He also said: As China's middle class has not yet taken shape, the failure of the recent democracy movement was inevitable. At present, the strength of the middle class represented by the civilian-run economy, taking the Stone Corporation as an example, is still small. But we cannot wait until the middle class has taken shape and then stage a democracy movement.

The Stone Corporation is a collective enterprise. Wan Runnan described it as a civilian-run economy. This shows that he intended to make the corporation his private enterprise. Wan Runnan kept repeating that the support of the middle class made it possible to stir up the recent political turmoil and counterrevolutionary rebellion and that the rebellion failed because the middle class had not yet taken shape, or because it was not strong enough. Wan Runnan and his like placed their hopes on the formation of a strong middle class in China.

In his speech made at the celebration of the 40th anniversary of the founding of New China, Comrade Jiang Zemin said: At the present stage, the development of the individual economy and the privately owned economy, with both in a subordinate position to the socialist economy, is important and indispensable for the development of social production in order to bring more convenience into the people's lives and for the creation of more jobs. This has been clearly proved in practice during the decade of reform. Our policy toward these sectors is, first, to encourage them to develop vigorously within limits specified by the state, and second, to strengthen management and guidance over them by economic, administrative and legal means so as to accentuate their positive role and to restrict their negative aspects that are harmful to socialist economic development.

This policy of our party is very clear, and it will not change. In our socialist country, the individual and private economies will have a beneficial, supplementary effect on the socialist economy and they may not necessarily become the economic foundation desired by people persisting in bourgeois liberalization, provided that the policy is correct, that some restrictions are imposed with regard to the scope of the individual and private economies, and that appropriate management and guidance are provided.

During the turmoil and rebellion, the overwhelming majority of the legally operated individual household businesses and owners of private enterprises were stable, and their attitude toward the turmoil and rebellion was one of opposition. However, bourgeois liberalization was indeed calling on the middle class, that is, the bourgeoisie. In short, we must look at the struggle against bourgeois liberalization in the last decade and at the turmoil and the counterrevolutionary rebellion with the Marxist class viewpoint and using a class analytical method. Only in this way can we understand clearly the profoundness, seriousness, and danger of the struggle and grasp the essence of the matter.

In the past, we took as class struggle matters which were inherently not in the nature of class struggle. That was a mistake. In recent years, we failed to see matters that were plainly in the nature of class struggle for what they were. We lost our vigilance, resulting in disastrous effects. This is also a bitter lesson.

2. The antagonism between bourgeois liberalization and the four cardinal principles, as seen from what happened in these years, is manifested to a great extent, in the struggle between the pursuit of bourgeois reform and the pursuit of socialist reform.

People who pursue bourgeois liberalization in socialist countries all, without exception, flaunt the banner of reform and call themselves reformers and those who oppose liberalization conservatives. By flaunting the banner of reform, they can deceive the masses, confuse those without higher political standards, and bind the hands and feet of our comrades who persist in reform and opening to the outside world while upholding the four cardinal principles. This has greatly increased the complexity of the struggle against bourgeois liberalization. This is also an important reason why bourgeois liberalization ideology was not effectively resisted against and opposed and why it was able to cause such a big disturbance.

Since the Third Plenary Session of the 11th CPC Central Committee, our party has put forward the general principle and policy of reform and opening to the outside world and has pointed out that it is necessary to reform the production relations and certain links in the superstructures which are incompatible with the development of the productive forces; to learn from foreign countries, including capitalist countries in the West, their advanced science and technology and management methods suited to our needs; and to use talented personnel and capital,

as well as all useful foreign cultures. It was also pointed out that it is wrong to take a conservative viewpoint, follow the beaten path, and refuse to make changes, and that it is possible to speed up the development of productive forces and strengthen the forces of the four modernizations only by carrying out reform and opening to the outside world. At the same time, our party has also pointed out: Our reform and opening to the outside world presuppose and are based on the upholding of the four cardinal principles. Reform is the self-perfection of the socialist system and is aimed at increasing the vitality of socialism and bringing into full play its superiority. Opening to the outside world is aimed at absorbing the strong points of other countries for our own use on the basis of self-reliance; it is by no means aimed at Westernization. This is our party's stand and thinking toward reform and opening to the outside world.

What kind of reform and opening to the outside world do people pursuing bourgeois liberalization want? From the beginning they would not make their stand on this question clear. The brain trust around Comrade Zhou Ziyang had a program and the ultimate goal of reform. However, in the first several years, they did not make public this program and the ultimate goal. Since it was certain that the program and the ultimate goal would not pass and would meet opposition, their tactics were to take one step at a time. Thus, they would first give you a dose of medicine. After taking the dose of prescribed medicine, you would have to take the second and third doses of medicine they prescribe. In this way, they would drag you into the quagmire of capitalism step by step. Things began to change in the past two years. They made themselves more and more clear, revealing their real intention. In the final analysis, the economic restructuring pursued by the brain trust around Comrade Zhou Ziyang and other people persisting in bourgeois liberalization, such as Chen Yizi, Yan Jiaqi, Wan Runnan, Su Shaozhi, and Su Xiaokang, had two elements. One was to abandon public ownership as the principal part of the economy and to realize private ownership. The other was to abandon the planned economy and to realize a market economy. They believed that the failure to achieve a full-fledged market economy had caused all sorts of difficulties in the economy and that to achieve a full-fledged market economy it was necessary to change the system of ownership, that is, to achieve private ownership. They put forward all sorts of programs to achieve private ownership. Their programs were revealed most clearly in the SHIJIE JINGJI DAOBAO. Some advocated dividing state-owned properties into shares and selling them to individuals, thus making them private properties. Some advocated that the state extend loans to private citizens to enable them to purchase state-owned enterprises. Some advocated stepping up blood transfusions to the private and individual economies to help them grow rapidly until they were able to swallow the state-owned economy. Their political restructuring, in the final analysis, was to achieve a multiparty system and separation of the legislative, executive, and judicial

functions of a government and to abolish the leadership of the Communist Party. They wanted, in their words, to overthrow the dictatorship of the Communist Party. They also had a complete set of arguments. They argued that the relationship between the Communist Party and the democratic parties should not be one between the leading and the led. The Communist Party should abolish the Political Bureau, instead of retaining it as a government above the government, and the Communist Party should concern itself only with party affairs, handling party affairs, raising party funds, rectifying party style, and allowing party factions. People pursuing bourgeois liberalization instigated the formation of a Constitution revision committee, proposing to abolish the four cardinal principles in the Constitution. In short, their reform program can be put into one word, that is, changing the socialist system and achieving the capitalist system.

Comrade Deng Xiaoping has clearly pointed out the essence of the reform advocated by people pursuing bourgeois liberalization. In his speech at the 40th anniversary of the founding of the PRC, Comrade Jiang Zemin stressed this point. He said: Many facts have shown us that on the issue of the reform and opening, two completely different views exist. One view, which has been persistently advocated by the party Central Committee and Comrade Deng Xiaoping, is to uphold the socialist road, the people's democratic dictatorship, the leadership of the Communist Party and Marxism-Leninism and Mao Zedong Thought, with the reform and opening as the self-improvement of the socialist system. The other view on reform and opening upholds bourgeois liberalization. This is the stand of those who demand total Westernization, which amounts to separating and departing from and going against the four cardinal principles in essence. The essence of such so-called reform and opening constitutes transformation into capitalism and brings China into the orbit of the capitalist system of the West.

It is very significant to clarify and stress this point. It exposes the tactics and essence of the people pursuing bourgeois liberalization and unshackles the hands and feet of Marxists. Marxists can justly and forcefully struggle against bourgeois liberalization and more consciously and unswervingly push forward reform and opening in the right direction.

Economic construction is the central task of our party and country during the new historical period. The four cardinal principles are the foundation of the country, and the reform and open policy is our fundamental principle and basic state policy. To determine whether or not one truly adheres to the four cardinal principles, we must check and see if one opposes liberalization. This is a criterion and a touchstone. Comrade Zhao Ziyang has resorted to one sophistry, saying: The adherence to the four cardinal principles and the opposition to liberalization have the same meaning. Therefore, we only need to talk about adhering to the four cardinal principles. There is no need to mention opposing liberalization. With such

a strong trend of thought for liberalization prevailing at that time in opposition to the four cardinal principles, our efforts to struggle against those who oppose liberalization and adhere to the four cardinal principles became empty talk. Some people did not oppose liberalization. Although they paid lip service to adhering to the four cardinal principles, what they said was just empty talk and stereotyped phrases. By the same token, to determine whether or not one truly carries out reform and opening to the outside world in order to develop the socialist modernization program and whether one carries out socialist reforms or bourgeois reforms, we must check and see if one opposes liberalization. This is also a criterion and a touchstone. Right now, many people in the world are talking about reform. The Western reactionary forces are also babbling about supporting the reform programs in socialist countries. All this will make us realize even more clearly that we should not believe that all reforms are good. We must see what kind of reform it is and understand the direction toward which the reform is being carried out.

3. The antagonism between bourgeois liberalization and the four cardinal principles is irreconcilable. Signs of weakness or retreat from those who promote liberalization means destruction. The developments in the past several years have shown that even if we do not struggle against those who promote liberalization, they will struggle against us. Whenever we stop for a while or suffer a setback, they will launch an ever more fierce counterattack against us. When we feel weak and retreat, they will never retreat. If we do not struggle against the trend for liberalization, our party will deteriorate ideologically, change its color politically, collapse organizationally and lose its fighting power. During the turmoil we already saw such an incipient sign. Our party is generally mature, strong and militant. Therefore, we were able to stop the turmoil and quell the riot. However, party organizations in some units had truly been weakened and they failed to play their role well. The party and Communist Youth League [CYL] organizations and students' societies in some schools failed to deal with the situation on the campuses. Although this was not the overall situation, we must try to see how things will develop from the small clues we have. As for those who stubbornly adhere to their stand for bourgeois liberalization, the more you feel weak and retreat, the more fiercely and savagely they would attack you. If you retreat one step, they would advance 10 steps. The struggle would be a ruthless one. During the political upheaval which took place between spring and summer this year, the plotters and organizers of the upheaval said: Their requirement is quite simple. It is only necessary to admit that they are developing a patriotic movement for democracy and that their organization is a legal one. If they achieved this goal, their next step would be to find out who is to blame for regarding their actions as a turmoil. In this way, they would be able to force this person to resign or that person to step down, and demand an en masse resignation in the government. Were claims of this nature loud enough during the tumultuous days in the past? Once the political power

built by tens of millions of martyrs with their blood and sacrifices, with the working people being the masters of their own destiny, is overthrown and they come to power, they would promote a set of programs for complete Westernization; China's achievements in carrying out revolution, construction and reform would be a waste; the country would always be in a state of serious splits and great confusion; the people would be plunged into an abyss of misery; and the masses would live in dire poverty.

The party and government did not retreat. They resolutely imposed the martial law. After the martial law was enforced, did they take their defeat lying down? No, they did not. They ranted about attacking the Bastille and storming Zhongnanhai as if it were the Bastille. They shouted about strangling the over 40 million party members to death. During the counterrevolutionary riot, they had resorted to everything including beating, smashing, looting, burning and killing. Was that not cruel enough?

Developments follow an orbit. Political opponents always first ask the party and government to recognize the legitimacy of their organization and hold a dialogue with them. When this is done, the second step they will take is to ask the party to surrender some of its political power so they will be able to hold some government positions. Will they be satisfied when they are given some seats in the government? No. They will take a third step to turn the Communist Party from the ruling party into a party out of office and to get all party organizations out of factories, public security departments, and Armed Forces—there will be no place for them to exist. Will they stop here? No. They will not stop here. After striking you down into the dust, they will stamp on you. If those who stubbornly persist in bourgeois liberalization seize political power, they will never be temperate, kind, courteous, restrained, or magnanimous toward you. They will never act in a gentle and cultivated way. Furthermore, when the nest is overturned, no egg will remain unbroken. Whether you are strong or mild, firm or vacillating, a hawk or a dove, you will not be able to hold your ground unless you barter away your honor for their patronage, sell your soul to them, or become a renegade. If one is always weak and yielding, then he is heading for doom. The logic of struggle is cruel and merciless.

4. The struggle between bourgeois liberalization and the four cardinal principles is a long-term one. This struggle has gone on for 10 years, and it will continue for decades. Comrade Deng Xiaoping said that the struggle will go on for 20, 50, or even 70 years. That liberalization has spread unchecked to such a serious extent, of course, has something to do with Comrade Zhao Ziyang's mistakes. However, that liberalization has become an ideological trend has its deep historical and social roots as well as an international environment.

Our socialist society emerged from the womb of semicolonial and semifeudal society. When the People's Republic was founded, it was poor, backward, and lagged far behind the developed countries in the West.

Through 40 years of effort, our national economy has greatly developed. As a result, the gap between our country and the developed countries in the West has been considerably narrowed. However, compared with the present conditions of developed capitalist countries, the development level of productive forces in our country is far lower. Overall, our country still lags far behind in science and technology, and our people's material living standards are also rather low. In view of this situation, those who cannot look at problems historically and scientifically are apt to have doubts about the superiority of the socialist system and feel that the capitalist system is better. Some of our young people do not understand that the centuries-long process of development in Western capitalist countries is full of blood and filth, cruel exploitation, and bandit-type plundering of the colonies and oppressed nations and people. The poverty of our country is closely related to aggression, oppression, and exploitation by capitalist, imperialist powers. Our country cannot and should not follow the road taken by them to become prosperous and powerful. By relying on the socialist system and the arduous efforts of the people throughout the country, we can certainly approach or reach the standards of Western developed countries economically, scientifically, technologically, and in the people's livelihood. But this will take a very long historical period. Before that, there will always be a market for bourgeois liberalization.

Our socialist system is a new-born system and is indeed imperfect. Since it has only a history of several decades, it is impossible for the system to be perfect; it will be improved step-by-step as we accumulate experience over a long time. It should be pointed out that there are indeed quite a few drawbacks in our political and economic systems. For example, there was the Cultural Revolution that lasted 10 years. In its latter stages, the broad masses of people and cadres were extremely dissatisfied and worried. Nonetheless, the situation was not redressed in a timely fashion. As another example, the party as well as the people were extremely dissatisfied with the rampant spread of bourgeois liberalization over the past few years, but the situation was not redressed in a timely fashion either. The causes for this can indeed be found in the systems. How to ensure the flesh-and-blood ties between the party and government on the one hand and the people on the other; how to fully develop democracy within the party and socialist democracy; how to bring into play the people's enthusiasm, initiative, and creativity; how to coordinate and handle social relations of all types, especially the relations of interests in all sectors; and so on and so forth are all important questions requiring continued efforts to solve. In this respect, we have not yet established a sound and flawless system. This shows that we indeed need reforms.

The capitalist system is a different story. It has undergone hundreds of years of evolution, has accumulated a rich experience of struggle, and developed quite strict mechanisms and methods to coordinate the contradictions within the bourgeoisie and alleviate the contradictions between the bourgeoisie and the working class. On

the surface, these mechanisms and methods look quite democratic and liberal and are therefore extremely deceiving. In essence, they are designed to safeguard the interests of the bourgeoisie as well as capitalist rule. Not long ago, a black activist by the name of Robert Williams gave an address at Beijing University. He discussed how phony capitalist democracy is, and in fact, there is no democracy at all. Some of our people who have lived in the West have also noticed this and have written many articles on this subject. However, there are people who have either heard some rumors or made hasty or casual tours abroad and come to the conclusion with their half-baked knowledge that there is greater democracy and freedom in foreign countries. Their conclusion is, of course, wrong. There is no such thing as abstract or absolute democracy and freedom in the world. For the bourgeoisie, Western democracy and freedom is paradise; for the working class, it is bondage. Certainly, this does not mean that our system does not need reforming. We should, by way of reform, improve the socialist system and bring into full play its superiority. Owing to restrictions imposed by various conditions, such reform can only be carried out step-by-step over quite a long period of time. In the meantime, there will still be a market for bourgeois liberalization.

Things would be much more clearer if viewed from the perspective of the international environment. The past two to three decades have been a rather stable period of development for the capitalist countries in the West. Lenin said that the last two or three decades of the 19th century was a relatively stable period of development for capitalist society. The bourgeoisie spent the excess profits they raked in to foster labor aristocracy, and opportunist and revisionist ideological trends emerged in the labor movement. Over the past several decades, the Western capitalists, on the strength of a relatively stable situation of development, have intensified their infiltration against socialist countries politically, economically, ideologically, and culturally. They have supported or bought dissidents in socialist countries and have fostered anti-socialist forces to operate from within socialist countries to promote peaceful evolution. Under these circumstances, the ideological trend of liberalization and forces favoring liberalization are bound to emerge domestically. These forces will certainly seek the support of international anti-communist forces, and international anti-communist forces will certainly support them. Consequently, class struggle abroad and class struggle at home have become closely linked. Such a situation will remain for a long time to come. All in all, we must be soberly aware that the struggle against bourgeois liberalization is not a matter that will last one or two years; it will last several decades. We certainly must pay close attention to production and improve the system, but we must oppose liberalization and never allow it to spread unchecked. Lenin said: If a class fails to properly handle its problems politically, it will not be able to maintain its rule and, consequently, carry out its production tasks. Only by criticizing liberalization can

we ensure a stable environment for developing production and improving the system.

III. Carry Out Education for Adherence to the Four Cardinal Principles and Struggle Against Bourgeois Liberalization in a Clearcut Manner

The Fourth Plenary Session of the 13th CPC Central Committee decided to carry out four major tasks, one of which was to earnestly oppose bourgeois liberalization. The decision made at the Fifth Plenary Session of the 13th CPC Central Committee to improve the economic environment and rectify the economic order also included a special passage on opposing bourgeois liberalization. Comrade Deng Xiaoping and the central collective leadership with Comrade Jiang Zemin as the core repeatedly stressed the need to carry out education on adhering to the four cardinal principles and the struggle against bourgeois liberalization through to the end. Under no circumstances should we give up halfway. Then, how can we achieve this goal?

1. Basic-level units must carry out work in this connection, while departments in the ideological realm must also carry out work in this regard. Comparing the former with the latter, we must, right now, place emphasis on improving our work in the ideological realm. We must, without a doubt, strengthen and improve ideological and political work in basic-level units and help such units improve themselves ideologically and organizationally. Meanwhile, we must meticulously carry out work in this connection. However, more important at present is our need to use Marxism to guide the work in various departments for theoretical study, literature and art, news and publication, propaganda, and the media and to use socialist concepts to seize positions in the fields of ideology, culture, propaganda, and the news media. Comrade Jiang Zemin has repeatedly said: If socialist ideas do not seize positions in the fields of ideology and culture, such positions will definitely be seized by capitalist ideas. This is a truth and should be regarded as our maxim. Only by doing our work well in this connection will there be a better social environment for public opinion and ideological and political work, and we will be able to attain the powerful ideological and theoretical weapon. Otherwise, we will get half the result with twice the effort.

Not long ago, some newspapers, journals, and publishing houses held discussions and report meetings, providing those who promote liberalization with ground to carry out their activities. Those people talked at first and then wrote articles in the news media. Other newspapers and journals reprinted such articles. Finally, such articles were printed in booklet form. By doing so, they gained fame and wealth. Making a fortune, they gained fame while being promoted. All this attracted a great many young people. They felt there was no future in promoting Marxism, and by following these people, they felt they would soon gain fame, get promoted, and make a fortune. This situation should no longer be allowed to continue. Our newspapers, journals, publishing houses,

and radio and television stations should no longer provide any ground to promote liberalization. What merits attention is the fact that right now, some people have not stopped their activities. They are still experimenting with their little tricks. Our attitude is that they should not be allowed to try their tricks. As soon as they emerge, we should beat our drums and launch our attacks.

The key to strengthening and improving our work in the ideological field lies in putting the news media in the hands of Marxists. There were problems in guiding the news media during the recent turmoil. The reason was that the leadership of many important news media was not in the hands of those who adhered to the Marxist stand and implemented the party's line. This was a painful lesson. Therefore, in the news media, we should readjust what should be readjusted, strengthen what should be strengthened, and replenish what should be replenished. Only by doing so, can we enjoy a long period of order and stability.

2. It is necessary to continuously publish articles of various kinds to extensively publicize the four cardinal principles, criticize various views of bourgeois liberalization, and clear up the ideological and theoretical confusion caused by the rampant ideological trend of liberalization. We have now only just started this work. Many of the views put forward by bourgeois liberalization advocates these years have yet to be touched on. Some such viewpoints that have been touched have yet to be thoroughly analyzed. Criticism of liberalization views which has been started should continue for several more years. It is necessary not only to write articles and print pamphlets but to publish special works to criticize these views. Moreover, such criticism should be reflected in teaching materials for liberal arts schools. New teaching materials should have organic unity with scientific and revolutionary characteristics and should be militant. In criticizing erroneous views, a distinction should be made between individual cases, and different methods should be adopted to deal with different cases. Liberalization views opposing the four cardinal principles must be criticized, and they must not be allowed to contend with other views because they are against the Constitution. There is a difference between those who theoretically advocate the philosophy, political concepts, economics, concepts of literature and art, outlook on life, values, ethics, and other concepts of the bourgeoisie and those who directly oppose the four cardinal principles, and we should discern this difference. At the same time, we should also see the connection between them; that is, the theoretical views of the bourgeoisie constitute the ideological and theoretical basis for the ideological trend of bourgeois liberalization.

What merits our particular attention is that some people who stubbornly cling to the stand of liberalization take pains to propagate their political views of liberalization via academic and theoretical views. They call such a tactic playing edge ball [ca bian qiu] and try to use legal means to wage a struggle against us. Therefore, to deepen the struggle against bourgeois liberalization, we must

clear up erroneous views in these fields. Here are some examples: Take the question of democracy for instance. Advocates for bourgeois liberalization advertise abstract democracy, alleging that there is no difference between classes, between East and West, or between capitalism and socialism as far as democracy is concerned. Since there is no difference between proletarian and bourgeois democracy or between socialist and capitalist democracy according to this view, then a conclusion can certainly be deduced that we may also copy all the hypocritical democratic systems of the bourgeoisie. Obviously, this erroneous theoretical view is designed to serve the purpose of establishing a bourgeois republic. This bourgeois concept of democracy is the political theoretical basis for bourgeois liberalization.

Take the question of alienation for example. This question can certainly be discussed as an academic or theoretical subject. However, if we interpret alienation from a wrong approach, it may also become the theoretical basis for liberalization. In discussing alienation, some people distort this social and historical concept as a universal and eternal category and thus draw the political conclusion that not only capitalism but also socialism engenders alienation. Politics, economics, ideology all engender alienation. The socialist system will, in the course of its development, certainly engender alien forces that negate the system itself. This kind of thinking will lead the people to fundamentally negate the socialist system. If we do not clear the confusion surrounding the question of alienation and criticize the theory of alienation of socialism, then it will be difficult to root out this major philosophical foundation of liberalization. There are also the questions of outlook on life, morals, and values. In the past few years, some people have advertised that individualism is good and have gone out to restore the good name of individualism. They held that it was all right to advocate money worship because progress is possible only when money is worshipped. They spread the bourgeois outlook on life, morals, and values. We must not naively equate advocating these ideas with that of liberalization. However, individualism and money worship are diametrically opposed and totally incompatible with socialist ideology. Individualism and money worship, allowed to spread unchecked, will certainly have a disintegrating influence on socialism and make the people become infatuated with the capitalist system. Therefore, we must criticize the viewpoints of liberalization that oppose the four cardinal principles. We must also oppose these ideas, which serve as the ideological and theoretical foundation of liberalization, and prevent them from being spread unchecked. In opposing ideas of the latter type, we may adopt the debate method and overcome, through debate, these erroneous viewpoints with Marxist viewpoints. To do so will be conducive to the development of Marxism because the more truth is debated, the clearer it becomes.

Whatever the differences between the two kinds of ideas, we should not adopt a simplistic approach in criticizing them. Rather, we should present the facts, reason things

out, and convince people through reasoning. Our objective is to educate the majority and eliminate hang-ups that people have. This requires us to conduct in-depth research. Only by basing our criticism on scientific research will we be able to make it truly first rate and convincing. We should, with Marxist world outlook and methodology as the guide, study the new situation and new problems of world capitalism in the 20th century, particularly since World War II; study the various ideological trends in the West to find out what questions they have raised and what views they have advertised; study the problems encountered by the socialist countries since the October Revolution and after World War II; and in particular, find out what experiences and lessons we should draw from the changes in several East European countries. We should particularly study the experiences and lessons of our country in the past 40 years, especially the last 10 years, and summarize them from the high plane of theory. We should provide Marxist, scientific answers to the various major questions presented by the world, by China, by history, and by reality and develop Marxism in the course of doing this. Only by conducting scientific research under the guidance of Marxism will we be able to truly develop Marxism, and only by basing our criticism on earnest, in-depth scientific research will we be able to make it educational and convincing. Only this kind of criticism will truly unify the people's understanding, enhance unity, and contribute to overall stability.

The overriding factor now is stability. Thoroughly criticizing the ideological trend of bourgeois liberalization is an important condition for maintaining stability. The ideological confusion caused by the ideological trend of liberalization should be cleared up through scientific and convincing criticism. Historical experience and harsh realities at home and abroad show us that the existence and rampancy of the ideological trend of bourgeois liberalization is the biggest destabilizing factor. Only by criticizing and struggling against the ideological trend of bourgeois liberalization to enable people to achieve unity in thinking and action on the basis of the party's line will we be able to consolidate and develop the political situation of stability and unity and to promote the smooth development of socialist construction and the smooth implementation of the policies of reform and opening to the outside world.

3. Workers, peasants, and intellectuals should all be educated in upholding the four cardinal principles and opposing bourgeois liberalization, and particular attention should be paid to educating intellectuals, especially young intellectuals, in this regard. The party's policy toward intellectuals has been correct in recent years. Large numbers of intellectuals have played a very important role in undertaking socialist modernization, carrying out reform, and opening to the outside world. However, there are some problems in the work among intellectuals. Comrade Deng Xiaoping said: The biggest

mistake we have made in the past 10 years is in education, and that naturally includes the insufficient education of intellectuals, failing to set strict demands on them, and not giving them enough help ideologically and politically.

Intellectuals are part of the working class. This formula was restored after the third plenary session of the party's 11th Central Committee. This is correct. Later, however, some people said that intellectuals are the most advanced and outstanding of the working class. This is wrong. It should be said that industrial workers embody, in the most concentrated way, the attributes and fine characters of the working class, including love for labor and socialism, revolutionary thoroughness, strong sense of organization and discipline, the spirit of seeking truth from facts, and selflessness. Viewed from their social and economic positions and the role they play in socialist modernization, intellectuals as mental workers are indeed part of the working class. A large number of fine people among intellectuals can well reflect the nature and character of the working class. However, it should also be noted that some intellectuals, especially those working in the ideological sphere or in leading bodies, are different from industrial workers in working conditions, the nature of work, and work methods; this is why they have weaknesses. For example, they often lose contact with reality and the masses. The world outlook and feelings of some of them are still different from those of industrial workers. It is precisely because of this that international anti-communist forces and domestic advocates for liberalization always attempt to open a breach among the intellectuals, especially young intellectuals. This merits our attention and vigilance.

During the political disturbances, the overwhelming majority of intellectuals acquitted themselves very well or relatively well and supported the party and socialism. However, there were indeed some intellectuals who showed their weaknesses of being soft and vacillating. Even so, we still stress time and again that the intellectuals are part of the working class, and this judgment remains unchanged.

The question now is how some people among the intellectuals should strive to make themselves worthy of being called a part of the working class and truly become a part of it. Moreover, we should sum up experiences and lessons in how the party can do its work well in order to deal with the various problems among intellectuals. For instance, there are such problems as intellectuals not being sufficiently educated by us and not all of them being treated reasonably. We should truly show respect for and attach importance to intellectuals, and we should show even more respect for and attach even greater importance to them. In order to do so, we must face squarely and solve the problems and difficulties existing among them. We advocate that intellectuals should go into the realities of life and take the road of integrating themselves with workers and peasants. We advocate that intellectuals should study Marxism-Leninism-Mao Zedong Thought and foster a correct outlook on the

world and on life. Patriotism is a fine tradition of Chinese intellectuals. We should proceed from patriotism to carry out education in patriotism, socialism, and collectivism at the same time. We should believe that as long as our work is done well, the vast numbers of intellectuals will rally themselves further around our party and make even greater contributions to the socialist cause.

4. We should educate both our party members and non-CPC members, but we should educate our party members first and pay particular attention to raising the ideological and theoretical level of the party's leading cadres at various levels. During the last political disturbances, many riot leaders were members of our party and some were quite well-known. They departed from the communist stand and became antagonistic toward the party and the people. A Communist Party member should uphold party leadership, have firm faith in socialism and communism, and serve the people wholeheartedly; otherwise, he is not qualified to be a communist. Our Communist Party should not have any special members. Even famous theorists, writers, actors, editors, and journalists should not consider themselves special if they are party members. They should abide by the party constitution and discipline, just as other party members do.

In the preceding period, some well-known figures became unmanageable by our primary party organizations, by local authorities, and even by the central authorities. Such a situation must change. All party members, no matter how famous they are, should participate in the activities of their party organizations and obey party leadership and management. In this regard, the party organizations should seriously perform their responsibilities.

A key to educating party members is improving the knowledge of senior and intermediate-level leading cadres on Marxist theories. Several readjustments since 1986 have brought about great changes in the average age and educational level of our senior and intermediate-level cadres. Comrades newly promoted to leading posts are in their prime, better educated, vigorous, pioneering, and with many strong points; but they also have weaknesses. Some of them used to work at lower-level posts, and others used to hold specialized, technical jobs. Currently holding important leading posts, they are facing complex international and domestic situations and encountering new circumstances and new problems constantly emerging in the course of construction, reform, and opening to the outside world. They must keep a clear head, adhere to the correct political orientation, and have the ability to cope with the situation and handle complex contradictions. In order to do so, our senior and intermediate-level cadres must strive to enhance their theoretical level and political quality. Only in this way, can they improve their leading ability.

Comrade Jiang Zemin pointed out in his speech at the meeting in celebration of the 40th anniversary of the

founding of the PRC: Considering the many new circumstances and problems occurring in the world and in China, and the great responsibilities shouldered by our party in China's socialist construction and its important place in the international communist movement, we must make it our urgent task to study the basic theories of Marxism and conduct research on important questions of political, economic, and social theories in the present world under the guidance of Marxism—this task should be put before the whole party. Within the party, and first of all among the party's senior cadres, we should encourage the earnest study of the basic theories of Marxism-Leninism-Mao Zedong Thought, particularly Marxist philosophy, so as to master the scientific world outlook and methodology.

Marxist philosophy is very rich in content. What should be stressed in studies in light of present conditions at home and abroad and of what people are now thinking? Comrade Jiang Zemin again pointed out at the fifth plenary session of the 13th party Central Committee: At present, we must first conscientiously study the Marxist philosophy and muster the basic viewpoints and basic methods of dialectical materialism and historical materialism, such as the viewpoint that subjectivism must conform to objectivism, the viewpoint on practice, the viewpoint on history, the overall and dialectical viewpoint, and the viewpoint on class analysis.

Recently, the Central Committee decided that the leading cadres of the provincial, autonomous regional, and municipal party committees and of central departments and commissions must attend the Central Party School for a period of time during their term of office to study the basic theories of Marxism and the party's basic line. The leading cadres of the provincial, autonomous regional, and municipal party committees and of the various central departments and commissions must divorce themselves from production two weeks a year, during which they will selectively read some works on Marxist theories and other books relating to this subject. Together with practice, they will ponder some problems and sum up their experiences. In selecting leading cadres for the provinces, autonomous regions, municipalities, and various central departments and commissions, it is necessary to evaluate their knowledge of Marxist theories. Candidates to be recommended must undergo at least one year of training in the basic theories of Marxism and the code of political life within the party.

We are now faced with a host of economic difficulties and social contradictions. In this situation, the priority is stability. We must firmly bear this in mind. Therefore, in carrying out the party's propaganda work and work in the various ideological departments, it is necessary to assume a clear-cut stand, follow a clear orientation, advance with firm steps, pay attention to policies, and work meticulously. By taking a clear-cut stand, we mean it is necessary to resolutely implement the party's basic line, make economic construction the core of our work; uphold the four cardinal principles; uphold the reform and open policy; oppose bourgeois liberalization; oppose

the peaceful evolution the hostile international forces are trying to effect; and take a firm stand on political principles. On this question, there must be no hesitation or ambiguity. Otherwise, it will be impossible to attract the masses of people to fight for the realization of our common goal. By following a clear orientation, we mean it is necessary to unremittably promote patriotism, socialism, collectivism, hard work, and other correct ideas; to use them to occupy the spheres of propaganda and culture; and to gradually reduce the influence of erroneous and harmful ideas. By advancing with firm steps, we mean it is necessary to do work in a thoroughgoing manner and try to solve long-accumulated problems in an orderly manner, prudently, and without impetuosity and rashness. By paying attention to policies, we mean it is necessary to distinguish people who have some erroneous viewpoints or incorrect understanding from the extremely small handful of people who stubbornly keep to the stand of bourgeois liberalization and to unite with as many people as possible on the basis of distinguishing between right and wrong. It is necessary to earnestly implement the principle of letting a hundred schools of thought contend and a hundred flowers blossom, enliven scientific research, and invigorate and develop work in the fields of culture, art, the press, and publication. By doing work meticulously, we mean it is necessary to strengthen investigations and studies in order to grasp the true situation and pay attention to methods and forms in order to upgrade propaganda skills. By doing so, we will be able to create good ideological and political conditions and a good environment for public opinion to sustain general stability.

As has been mentioned before, the emergence and existence of the ideological trend of bourgeois liberalization are the product of the times and are inevitable because there are both internal and external causes. Since it is a trend of thought running counter to the fundamental interests of the working class and the masses of people, a force going against the tide of history and a decadent force, its failure and destruction are also inevitable.

We will be able to overcome difficulties and perils and advance victoriously along the road of building socialism with distinct Chinese characteristics. We are fully confident that socialism will finally triumph over capitalism. We have full of confidence in the future of communism.

Article Refutes Yan Jiaqi View on Democracy

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[Article by Xiao Wen (4607 2429), abridged by RENMIN RIBAO from 17 February ZHONGGUO QINGNIAN BAO: "Is There 'No Difference Between Democracy in the East and in the West?'—Refuting the Fallacy Advocated by Yan Jiaqi"]

[Text] More than 2,000 years ago Herodotus, who was called the "Father of History," combined for the first time two irrelevant words "people" and "power" together and created a new word—"democracy." Since

then, and especially in modern times, democracy has been a familiar term to the public. But how many people on earth really know the true meaning of this term? The political contretemps which took place between the spring and summer of 1989 can offer a good answer to this question. Many young people involved in that event had no idea about the concrete meaning of the democracy they were pursuing. And this strange phenomenon stemmed from understanding democracy from an abstract, isolated and static viewpoint. "There is no difference between democracy in the East and in the West." This was a view popular and influential at that time. Apparently the "East" and the "West" are not geographical annotations but political concepts. The statement that "there is no difference between democracy in the East and in the West" is merely another expression of the view "democracy is universal to all classes and to both socialism and capitalism." This concept of democracy, which transcends class, society, time, and space, would only lead young people astray. Today, it is obvious that we badly need to clear away the influence of this bourgeois liberalization view in pursuit of a correct common understanding of the democratic issue.

I. There Is No Such Thing as Democracy Transcending Class

Every theoretical view has its deep socio-historic origin. The view that "there is no difference between democracy in the East and in the West" is derived from the Western colonial ideological theoretical system. In the late 19th century, the European powers were eager to carve up the world. Their ambition was based on an important theory: The Western democratic system was the highest stage of human civilization universally applicable all over the world. In their eyes, since the Europeans had created this system they were entitled and duty-bound to spread it throughout the whole world. Under this pretext, the Western powers forced open the gates of the East with their "strongly built ships and powerful guns." The Easterners lost their territory, sovereignty, and gold while they got to know democracy. In modern history, the West deeply cherished a superiority complex over the East geographically, racially, culturally, and in terms of systems. This was a consensus among the powers. However, who within the West was superior and most qualified to rule the world? As far as this was concerned, no Western power would yield to the others. In order to contend for the leading position, they went so far as to launch two world wars within 20 years. But, after all, history is not created by Westerners alone. The two world wars did not lead to an overall victory for capitalist democracy but to the flourishing of socialist democracy in the world. So, history made a great mockery of the theory that "there is no difference between democracy in the East and in the West."

After World War II, in the wake of the disintegration of the colonial system, the function of the theory that "there is no difference between democracy in the East and in the West" has also changed. Western strategists

hold that ideological conquest is more effective than military conquest as a weapon for capitalism to defeat socialism. For this reason, they have used democracy, liberty, human rights, and other things to carry out ideological infiltration against socialist countries, with a view to destroying socialism from within.

Thus it can be seen that the view that "there is no difference between democracy in the East and in the West" is merely a tool used by capitalism to maintain colonial rule and an ideological weapon used by Western hostile forces to practice the peaceful evolution strategy against socialism.

As an imported concept, the view that "there is no difference between democracy in the East and in the West" became popular among Chinese theoreticians in the process of "reevaluating" capitalist democracy over the past 10 years. During this period, whenever people talked about the many shortcomings of socialist democracy in practice and called for constant improvement of socialist democracy, some political "elites" never failed to vigorously publicize that view. At an unofficial theoretical discussion meeting, Yan Jiaqi even asserted that the view "is bound to be accepted as a common understanding worldwide." The kind of democracy "universally applicable to both East and West" recommended by Yan Jiaqi is exactly Western bourgeois democracy. This has been proved by a series of speeches he delivered abroad recently. But, before that, he had never put it so straightforwardly. Is it true that there is no difference between democracy in the East and in the West? Let us put aside Yan Jiaqi's political stand for a while and discuss the question only from an academic point of view.

What is democracy? The word itself conveys its definition—the combination of the people and the power or, in other words, the people as the masters of their own affairs. This is the basic concept. The people and the power combined together make a certain ruling form. That is, the form of government for a country. This is the substance of democracy. Therefore, when talking about democracy we must first of all link it with state power. If we just discuss the concept without sticking to the substance, democracy will certainly become an unreal concept. To be frank, that is the very reason why some young people with good will had no idea about the democracy they were pursuing.

As a ruling form, democracy serves a certain economic basis. Therefore it is bound to be regulated by various social factors. Democracy is a historical phenomenon and the creating and development of democracy take time. Democracy is a means of rule by classes and it naturally reflects the interests and desires of the ruling classes. Democracy is also a form of state power, needing organization and leadership. Different historical conditions and different class interests determine the various dynamic forms of democracy which are independent of

man's will. So far we have not seen democracy which transcends class and is universally applicable to both the East and the West.

Every kind of democracy belongs to a certain class. Democracy is a product of class society. At different development stages of class society, "democracy assumes different forms and works to a varying extent." ("Selected Works of Lenin," Vol 3, p 723) Democracy of the slaveholder class, democracy of the bourgeoisie, and democracy of the proletariat are different types of democracy witnessed by human history.

As a ruling form, democracy is the system with a distinct class nature by which the ruling classes organize state power and administer the state in accordance with some democratic principles. The democratic system in the slave society practiced democracy for a small number of slave owners. During the prime of the Athenian city-state in ancient Greece, which is acclaimed as the cradle of democracy, the number of slaveholders and freemen, including women and children, totaled only 90,000. They were divided into several estates according to the amount of property they owned and hence enjoyed different degrees of democratic rights. Meanwhile, 365,000 male and female slaves, as described by the slaveholder democratic thinker Aristotle, "served as a kind of living property," and "a living tool in contrast to tools as slaves without life." ("Concise History of Ancient World," Vol 2, p 183; quoted from "Politics" by Aristotle) Democracy for the bourgeoisie varies remarkably from country to country in terms of the form and practice of democracy. In the final analysis, the purpose of all kinds of bourgeois democracy is to protect private ownership against infringement. Therefore these are democracies for the propertied classes. Although they have defined by laws a wide range of equal democratic rights and freedom, and superficially displayed a high degree of diversification of political power and liberalization, they have on the other hand developed class and capital privileges for the propertied class through the protection of the private ownership of the means of production. This has given rise to actual inequality among citizens through unequal distribution of property. Thus, property has become a decisive factor affecting one's political power. Socialist democracy vests the broad masses of laboring people with democratic rights through the public ownership of the means of production and, at the same time, exercises dictatorship over a small number of hostile elements who attempt to overthrow this system. The class nature of democracy shows that different types of democracy have substantial differences—they have totally different orientations as far as class interests are concerned.

Democracy, as a progressive phenomenon, is accompanied by human civilization. Different democratic systems reflect the different degrees of social civilization at certain development stages. In history, the emergence of a democratic system marks a major step forward for human civilization and makes indelible historic contributions. However, because different democratic systems

represent different degrees of civilization, their respective historical positions are also different. Among all types of democracy enjoyed by the exploiting classes, capitalist democracy is the highest form and the final stage. It has paved the way for the rapid development of the social productive forces and has greatly raised the degree of human civilization.

However, because of the limitations of its class attributes, capitalist democracy will inevitably be replaced by a more progressive democratic system. Thus, socialist democracy has emerged as the times require. According to the historical facts concerning the changes in the democratic systems, today's socialist democracy is still not perfect enough. However, in essence, it has thoroughly eradicated the root cause of the backwardness of capitalist democracy. The abolition of private ownership of the means of production fundamentally guarantees realization of the basic function of democracy to enable the people to protect their interests from encroachment. Thus, democracy enjoyed by the minority of people is turned into democracy enjoyed by the vast majority of the people. In this sense we say that socialist democracy is much more progressive than capitalist democracy and the former represents a much higher degree of civilization.

Theoretical analysis fully shows that the "no difference between democracy in the East and in the West" viewpoint lacks scientific grounds and is not in keeping with objective facts. From the academic point of view, the falsehood of this viewpoint is reflected in its disregard for the objective regularity of democracy, its obliteration of the historical process of the development of democracy, its denial of the class attributes and relativity of democracy, and its arbitrary fabrication of an abstract, absolute, and transcendent concept of democracy that exists above human society in reality and is free from any constraints. Thus, democracy is no longer taken as a concrete form of state power but something visionary. It is no wonder that after being exposed to this viewpoint some young people with little social experience failed to perceive the substantive contents of democracy and tended to turn their enthusiasm into headlong action.

II. Can Western-Style Democracy Be Practiced in China?

Academic points of view cannot be separated from political predispositions and this is the natural course of modern social science theories. Therefore, most academic fallacies derive from the incorrectness of the relevant political positions. The viewpoint that "no difference exists between democracy in the East and in the West" is abstract and insubstantial if it is taken as an academic argument, but it serves a concrete and substantial political purpose. Yan Jiaqi did his utmost to advocate this ridiculous viewpoint for the purpose of negating socialist democracy and taking bourgeois democracy in the West as a "global consensus" and a universal form of

government. On the surface, such combination of scholarship and politics seems rather inconsistent and ridiculous, but it is in fact a rather shrewd trick. The political standpoint taking an academic guise would be much more deceptive when peddled to naive young people. Of course, as compared with the developed countries in the West, China's economic and cultural development remains rather backward. This may be an objective factor that causes mistrust of socialism among some young people. In addition, most contemporary young people have been growing up in the environment of reform and opening up. They are active and courageous in thinking and are full of enthusiasm to make the country powerful, but they lack a profound sense of history and the awareness of our national conditions. When they were perplexed about the root cause of China's poverty and became impatient with the slow progress in the reform of the political structure, some of them who had no experience of living in a colonial condition naturally accepted the viewpoint that "no difference exists between democracy in the East and in the West" and took Western-style democracy as a short cut and as a panacea for overcoming poverty and building up national strength. It must be admitted that these young people are kind-minded but their idea is wrong and dangerous. Particularly at present, when such a wrong idea has become a factor that endangers the state's stability, we cannot but give a convincing answer to the question of whether Western-style democracy can be practiced in China.

In fact, history has provided a correct conclusion.

China was admired and worshipped by Westerners in ancient times. However, in modern times, when capitalist civilization swept across the European continent, feudal China remained in the same old rut. This led to China's backwardness. The colonialist plunder committed by the Western powers in China made Chinese people realize their backwardness. Since the capitalist system in the West was much more progressive than Oriental monarchical autocracy, the former naturally became a goal pursued by the people of insight in China. To strive for this goal, the Chinese people paid a cost higher than any other nation. From 1912 to 1949, China was governed with difficulty in the name of a bourgeois democratic republic. However, how big a gap was there between the name and the reality? Yuan Shikai assumed the title of emperor; Zhang Xun staged a coup to restore the Qing court; Cao Kun was elected through bribery; and warfare continued among warlords. Such farces fully exposed the hypocritical nature of the bourgeois democratic system. Next, the Kuomintang reunified China with armed force but the three provinces in northeast China were lost. The imperialist powers never allowed China to take the capitalist road; the bureaucrat-comprador-capitalists never wanted to introduce any form of democracy; and deep-rooted feudalism was a natural diehard enemy of democracy. The Chinese people hankered after and tried to imitate the democratic system in the West for several decades, but they

only found that their national sovereignty was lost and their country was reduced to the humiliating status of a semi-colonial and semi-feudal society. The country was riddled with economic trouble and became a target for political discrimination. Even the bourgeoisie in China underwent bitter experiences and found it hard to live. The capitalist system failed to rescue China and the bourgeois democracy was not feasible in China. This is the historical conclusion.

Some young comrades said that the capitalist system was previously not feasible in China because the objective conditions did not allow for it. Now, things have changed. Can we now make up this missed lesson in order to promote economic development and to accelerate the development of democracy?

We need to approach this question from two aspects. First, let us see whether it is necessary to "make up this missed lesson" in contemporary China.

That a country or nation should jump over a certain kind of social pattern to directly enter a higher stage of development, is not a Chinese invention. The Americans had not built a feudal and despotic system while many countries in contemporary Europe had accomplished the process of feudal transformation directly from the base of the savage period. In the Middle Ages, theology and despotism almost strangled Europe and at that time there were indeed some people who imagined using democracy like the slaveholding system ancient Greece as a weapon against feudalism. However, the result of the Renaissance had not brought back the slaveholders democratic system but had propelled the Europeans to the doorstep of capitalism. In history, there is no example of restoring an old system to invigorate a nation. If socialist democracy is more advanced than capitalist democracy, and has brighter prospects, then what is the reason for people to abandon the advanced for the backward? Of course, theoretical deduction is not the only basis for us to recognize things and the most important and illustrative issue is the result of practice. Whether or not there is now a need for China to "make up a missed lesson" basically depends on whether socialism has already led, and will continue to lead, China to prosperity and advancement. Some people think that socialism has failed utterly in China and that the result of the past 40 years has pushed "the Chinese nation once again into a life-and-death emergency." But these are not facts and the basic fact is: Although the practice of socialism for 40 years has undergone a rough path and experienced mistakes, it has indeed brought considerable development to China's economy, politics, and culture, as well as tremendous changes in the whole society. This point, apart from those who have secret intentions, is admitted by people in the various countries—including capitalist countries—of the world.

When assessing whether or not China is advanced, economy is a decisive factor and this requires synchronic and diachronic comparisons. Compared with old China,

our country's total output value in industrial and agricultural production in 1988 had increased by 40.2 times over 1949, while national income had increased by 18 times. Compared with the world, from 1953 to 1978, our country's average GNP scored a yearly 6.1 percent increase and from 1978 to 1988, a yearly 9.6 percent increase. From 1980 to 1986, the average growth rate of world GNP was 2.6 percent; in the developed countries, 2.3 percent; and in China, 9.2 percent. This indicates that socialism in China is basically successful.

Can socialism continue to lead China to even bigger progress? The CPC announced to the people in the world a magnificent blueprint: First, to realize a doubling of the GNP scored in 1980, so as to solve the problem of clothing and food for the people; second, to realize another doubling of the doubled GNP by the end of this century, to achieve a comparatively well-off living standard for the people; and third, by the middle of next century, per capita GNP to reach the level attained by the moderately developed countries and for the people to live a comparatively affluent life. At present, the first target has been realized and, regarding the last two targets, according to the estimates of the economists in the West, so long as the yearly growth rate is maintained at six percent, by the early years of the 21st century China will catch up with the moderately developed countries. This indicates that the three-step development strategy is practical and feasible. What does the realization of this development strategy mean? It means that socialist China will use 100 years of time to finish walking the road which took the old-line capitalist countries 300-400 years to finish. If this goal is indeed believable, are there any reasons for us to give up socialism and learn the missed lesson from capitalism?

Let us further explore whether there is possibility for China to "make up the missed lesson."

Any democratic system is the result of movement of the opposites of various social forces in a comparatively longer period of time. Under the conditions of private ownership, Western bourgeois democracy has taken bourgeois interest groups with rich financial resources as its class basis. In China, the means of production belongs to the whole society and the individual interests of laborers and the interests of the state are closely linked. Although we have some individual economic factors, they are only supplements to the economy under socialist public ownership. They do not constitute a bourgeois class. It goes without saying that it is unimaginable to pursue bourgeois democracy in a country where there is no bourgeoisie. It is precisely because of this reason that some persons conjure up a "middle class" (the so-called middle class is, in the final analysis, bourgeoisie). It is completely absurd to regard it as the foundation for pursuing Western democracy.

Furthermore, there is no possibility of pursuing Western democracy in China in both content and form. Generally speaking, the Western democratic system includes the

general election system, parliamentary system, separation of three kinds of powers, multiparty system, freedom and rights of citizens, and so on. Some of these belong to the general character of the democratic system. They are not the patents of capitalism. They are also indispensable in socialist democracy. They are different only in name, understanding of meaning, and degree of pursuance. Some of them are essential to special capitalism social conditions and are determined by the class nature of the bourgeoisie. It is impossible to pursue them in China.

The general election system means citizens casting their votes to elect the highest executive officer of the state and councillors of the senate and house of representatives. It is most excessively boosted by the bourgeoisie and is the most bewildering system. Its content is that people elect their leaders. This constitutes no exception to socialist countries. In the meantime, numerous facts have proved that there are factors of sham and fraud in the general election systems in Western capitalist countries. As far as its form is concerned, at present our country is pursuing a people's congress system based mainly on indirect elections. This conforms with our national conditions. Can we pursue a general election system? It is known to all that higher material and cultural conditions are needed in order to pursue a direct and democratic general election system. We are poor economically and backward culturally and educationally. We have more than 200 million illiterates. Such national conditions determine that conditions do not exist in our country for pursuing direct and democratic elections.

Regarding multiparty system and separation of the three kinds of powers, these are products resulting from the conflicts of interests between different bourgeois groups under the conditions of private ownership. There is no need to pursue them in China. Under socialist conditions, the economy of public ownership has determined that although there are a variety of social interests, the basic interests of the people are identical. Unlike private groups, our people have no conflicts of interests. The people's congress system is our strong point. There is no need for us to balance or constrain various kinds of relations through separation of the three kinds of powers. In China, no other political parties can organize and lead a democratic system of the whole country except the CPC.

Lastly, let us imagine the consequence of pursuing Western democracy in China. If we intend to pursue Western democracy, abolishing the public ownership system is a prerequisite. To pursue a private ownership system we must again create a bourgeoisie. In other words, we must turn our existing state-owned economy into a private economy. Who has the capability of administering such an economy? Only two kinds of people can do so: Foreign bourgeoisie and Chinese who rely on foreign capital. When these persons control China's economic lifeline, the political system China

pursues will be the colonial political system which conforms with it. If China pursues capitalism it can only become an appendage of the Western bourgeoisie. Such prospects can be completely predicted. Can the descendants of the Emperors of Yan and Huang tolerate all this?

In a word, China cannot pursue Western democracy. This is the conclusion.

Song, Yang Attend Forum on Studying Deng Book

*OW2002214090 Beijing XINHUA Domestic Service
in Chinese 1113 GMT 20 Feb 90*

[By reporters Liu Siyang (0491 1835 2254) and Li Guangru (2621 0342 5423)]

[Text] Beijing, 20 Feb (XINHUA)—Speaking today at a forum on studying the book "Deng Xiaoping on Party Building," sponsored by the Propaganda Department of the CPC Central Committee and the People's Publishing House, Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee said: The publication of the book "Deng Xiaoping on Party Building" has provided the comrades in the whole party with an ideological guidance and a theoretical weapon for learning and studying the party building theory and for strengthening the work of party building. Party organizations at all levels should earnestly organize party members to study this book and, through such study, raise the whole party's Marxist theoretical knowledge to a higher level and build our party into an even stauncher party with a still greater fighting strength.

The book "Deng Xiaoping on Party Building" contains 39 selected works written during the 12 year period beginning in 1977, when efforts were made to set to rights the confused guiding ideology and to effect a shift in the focus of the whole party's work, until 1989, when the turmoil was checked and the counterrevolutionary rebellion was put down in Beijing.

Song Ping said: Today, when we are restudying these works in light of the domestic and international situations we are presently faced with while reviewing our experience and lessons in building the party over the past decade or so, we feel that these works are exceptionally close to our hearts and that we can be benefited more profoundly.

Song Ping talked about his own experience in studying this book. He said: I feel there is one thing most striking. That is, if we are to build socialism with Chinese characteristics, we must unremittingly uphold the CPC leadership. As early as 1979, Comrade Xiaoping admonished the whole party to make great efforts to struggle unremittingly against the currents of thought that throw doubt on the four cardinal principles. Song Ping continued: The antagonism between the four cardinal principles and bourgeois liberalization focuses on whether it is necessary to uphold the CPC leadership. Both history

and the present reality have proved that without the CPC there would be no socialist New China.

Song Ping said: Comrade Xiaoping attaches particular importance to strengthening ideological improvement in the party and puts stress on upholding the ideological line of seeking truth from facts. The nearly-70-year history of our party has shown that persistence in seeking truth from facts is an important guarantee for conquering the enemy and winning victory, while mistakes and setbacks are hardly avoidable if we depart from the line of seeking truth from the facts. To strengthen the party's ideological improvement now, the key task is to uphold the ideological line of seeking truth from facts and to implement this line in doing all kinds of work.

Song Ping pointed out: In addition, Comrade Xiaoping attaches great importance to the party's relations with the masses. At present, our party and state are in a crucial period. Whether we can maintain the flesh-and-blood relations between the party and the masses and unite all people to work hard together and overcome difficulties will have a direct bearing on the rise or fall, success or failure of our cause. If our party is to win wholehearted support from the masses, it is imperative to firmly overcome the corrupt phenomena within the party and see to it that the party is truly trusted by the people. In addition, efforts should be made to establish a strict and effective system of supervision by the masses and make that system perfect and to combine ideological education with restraint through rules and discipline.

Song Ping said: Comrade Xiaoping pays great attention to building the cadre contingent and leading bodies, stressing that the leading power of the party and state at all levels must be held in the hands of those cadres who are loyal to Marxism and who have both ability and political integrity. He pointed out: We should conduct an all-round examination of our leading cadres at all levels. We should devote efforts to doing well in readjusting and strengthening the leading bodies of party committees, governments, and their important departments at and above the county level. Outstanding young cadres who are politically strong should be promoted into leading bodies so that the leading power at all levels is truly held in the hands of those who are loyal to Marxism. This will provide an organizational guarantee for the continuity of our party's policies as well as the good order and stability of our motherland for a long time to come.

Yang Baibing, member of the Secretariat of the CPC Central Committee, and secretary general of the Central Military Commission, said at the forum: The publication of "Deng Xiaoping on Party Building" is a major event with respect to party building and the party's political life. Under the new international and domestic situations, serious efforts to study and implement Comrade Deng Xiaoping's party building thinking and theory are of vital immediate importance, and have a far-reaching historical significance toward achieving greater success in strengthening and improving party leadership, uniting

the people around the country, and firmly pushing ahead the socialist cause of our country.

While reviewing the actual work done in the army toward building the party, Yang Baibing talked about his own feelings and experience in studying Deng Xiaoping's book from the angles of unswervingly upholding the party's absolute leadership over the army, going all out to step up the building of leading bodies at all levels, paying attention to raising the quality of party members, and inheriting and carrying forward the party's fine work-style of maintaining close links with the masses.

Speeches were also given by Yu Guiying, head of the Propaganda Department of the party committee of Shoudu Iron and Steel Plant; Zhang Zhenxing, secretary of the party committee of Nankou Town, Changping County; Chen Zhanting, deputy political instructor of the third detachment of a certain liberation army unit; Huang Shenglun, deputy secretary of the party committee of Qinghua University; Wang Yanchang, secretary of the discipline inspection commission of the party committee of the Ministry of Foreign Affairs; and Zhang Wenzheng, associated professor of the party building teaching and research section of the Central Party School. They all talked about their experience in studying this book in light of the actual situation of their own units and departments. They held that the publication of the book "Deng Xiaoping on Party Building" has enabled them to further understand the importance of strengthening party building during the period of socialist construction, reform, and opening to the outside world. Only when all-out efforts are made to strengthen party building and to uphold and improve party leadership, can the socialist cause achieve success.

The forum was chaired by Xu Weicheng, executive deputy head of the Propaganda Department of the CPC Central Committee. Attending the forum were responsible persons from the departments concerned, including party, government, and army organizations, trade unions, Communist Youth League organizations, and women's federations, as well as theoretical workers from the central level and from the capital.

Central Committee Said Planning Plenum

HK2302025590 Hong Kong HONGKONG STANDARD
(CHINA TODAY SUPPLEMENT) in English
23 Feb 90 p 1

[Text] The Chinese Communist Party is to hold a Central Committee plenum to set the tone for the coming annual session of the National People's Congress and the Chinese People's Political Consultative Conference.

Informed sources said the Sixth Plenum of the 13th Party Central Committee would be convened before the opening of the NPC and CPPCC sessions late next month.

They said the party plenum would concentrate on current economic problems, highlevel personnel changes and other issues to be formally "approved" by the NPC.

The usual practice is for the party plenum to be held before the annual session of the NPC.

But the party did not hold a Central Committee Plenum before the annual session of the NPC in February last year.

The party general secretary at the time, Zhao Ziyang wanted to implement reforms by separating party and government functions.

But since his disgrace following the crackdown last June, Mr Zhao has been attacked for "weakening the leadership of the Communist Party.

And since the collapse of communist rule in successive countries in Eastern Europe, the party has tried to enhance its leadership in China.

Dissidents Plan Offshore Pirate Radio Station

*HK2302062290 Hong Kong Commercial Radio
in English 0430 GMT 23 Feb 90*

[Text] Chinese dissidents have said they will mark the first anniversary of the Tiannanmen massacre by setting up a pirate radio station off China's coast. The Paris-based Federation for Democracy said the radio, based in an old British ship, will be set up with the help of about 16 foreign newspapers and magazines. It added that the ship will be named the "Goddess of Democracy." The radio station will begin broadcasting 24 hours a day on April 25th, and will avoid jamming by the Chinese authorities by constantly changing its wavelength.

Economic & Agricultural

Article Views Bank Savings Growth

*HK2302111990 Beijing RENMIN RIBAO in Chinese
9 Feb 90 P 6*

[Article by Zhao Haikuan (6392 3189 1401): "Make Efforts to Achieve Sustained Growth of Bank Savings"]

[Text]

China Saw an Substantial Growth of Savings Deposit in Last Year

By the end of October 1989, China's savings deposit balance was increased by 110 billion yuan when compared to the beginning of the year. It is expected that the total increase for the year was more than 120 billion yuan, or over 32 percent. By the end of October, the amount of increase in the savings deposit accounted for 84 percent of the total increase of deposit in China's banks and credit cooperatives, and was greater than the increase of loans granted by such banks and credit cooperatives.

We should realize that, to a certain extent, there were exaggeration and abnormal factors in the increase of savings deposit in 1989. This is mainly reflected by the following aspects:

1. A portion of the savings deposit was transferred from the public funds. In accordance with the provisions of China's banks concerning the definition of deposits, the savings deposit can only be money received from individual residents. However, many local savings institutions violated such provisions in recent years, and took the public funds as savings deposit. The Chinese Government has stipulated that a cash control system should be followed by units such as organs, organizations, PLA units and institutions and enterprises. These units must deposit all of their cash into the bank except for a small amount of cash, in respect of which the amount is below the authorized maximum level. Therefore, to transfer any public funds as savings deposit was simply a transfer of account records, in which an entry to a unit's deposit account became an entry to its savings deposit account, while the unit's total amount of deposits remained unchanged.

2. Under the influence of improper propaganda, some people pinned very high hope on the interest rate of the value-preservation deposit, so that they also deposited into the bank such portion of money which they originally allocated for their immediate consumption.

3. Some individual economic households also turned their production and operation capital into savings deposit. The money possessed by individual economic households may be divided into two parts: the first part was for their own livelihood; and the rest was capital for their operations or production. When we classify such money according to the banks' definition of deposits, the latter should be deposited into a special account for settlement purposes. However, in recent years, many people took this portion of capital as savings deposit because the conditions for providing individual economic households services of account settlement and transfer of account records were not yet ready. This thus went contrary to the function that savings deposit was to turn consumption fund into production capital. Eventually, there was an abnormal increase of savings deposit.

4. A portion of the increase of the savings deposit was transferred from the consumption fund, which was an excessive distribution of the national income. Recently, China excessively distributed the national income in successive years. In other words, the total amount of accumulative fund and consumption fund distributed in money terms in a single year was more than the national income derived from the production output. Under these circumstances, any loans granted on the basis of this portion of consumption fund after the excessive distribution, though it had become savings deposit and was favorable to the state, might become another factor for inflation as such kind of savings deposit had no corresponding material basis.

We should adopt resolute measures to gradually eliminate such exaggeration and abnormal factors in the increase of savings deposit. However, symptoms leading

to exaggeration and abnormal factors, except for the misunderstanding of value-preservation savings, which took place in last year, emerged several years before then. Though they were the factors for the rapid increase in the savings deposit in recent years, they were not the only ones for such increase in 1989. Therefore, one must not negate the fact that the savings deposit balance saw a sharp increase in 1989 when compared to the previous years just because of these problems in the increase of savings deposit in 1989.

A Sharp Increase of Savings Deposit Indicates the Preliminary Effectiveness of Rectification and Consolidation

People deposited their money as savings deposit on the basis that first, their principle must be safe, that is, one may withdraw his principal at its original value upon request or maturity; and second, there must be a fixed interests thereon. In order to really achieve this, there must be a stable political situation, and the national economy must have a continuous, coordinated and steady growth. The extent of inflation and price rise, which took place in recent years, once made people worry about the continuous and steady development of the economy. This was the reason that in the first few quarters of 1989, the growth of savings deposit dropped month by month.

The Third Plenary Session of the 13th CPC Central Committee, which was convened in September 1988, correctly analyzed China's situation at that time, and put forward the principle of rectifying the economic environment, consolidating the economic order, and extensively deepening reforms. Later, corresponding austerity policies concerning financial matters and credit, as well as a series of other measures, were implemented. Consequently, the economic situation was gradually stabilized, the extent of price rise was smaller, and the amount of savings deposit increased sharply. This showed that the people felt that the pace of inflation and price rise were slowed down, and the party's rectification and consolidation had yielded preliminary effectiveness; and they held that to put their money in the banks, particularly their value-preservation deposit accounts, was the safest and best way to preserve their money value.

A sharp increase of savings deposit is favorable to the implementation of further rectification, consolidation and the deepening of reforms, which was decided by the Fifth Plenary Session of the 14th CPC Central Committee. It is favorable to appropriately increasing the state's construction fund, so that the national economy may maintain a certain development speed. Meanwhile, the savings deposit may be increased subject to the condition that we are able to allocate the accumulative fund from the scale of construction and the national income. In this case, we may correspondingly reduce or stop issuing currency more than what is objectively needed, which helps stabilize the prices and currency value, and creates conditions for developing the national economy in a continuous, steady and coordinated way.

Not All Savings Deposit Balance Must be Repaid

Recently, some people in China's economics circle regarded savings deposit as an equivalent of state bonds or even foreign debt. They simply believed that the more savings deposit, the heavier debt burden the state had to bear, so that they were deeply worried about the sharp increase in the savings deposit balance. It is necessary that we have to further analyze this issue.

Frankly, savings deposit in banks by residents is a liability of the banks to the deposit account holders. An absolute majority of savings deposit made by China's residents is in the state banks or institutions engaging in savings business entrusted by the state banks, so that the state is the final responsible party of these bank liabilities. Judging from this sense, the savings deposit in the state banks are also the liabilities of the state. However, except for part of the savings deposit balance, which is put into these banks just because the subsidy rate on value-preservation savings is at a high level, may be withdrawn when the rate drops, and which thus truly become debts needed to be repaid, the state may use for long-term goals the remainder provided that its political situation is stable, and its commodity and currency economies are normally developing. The above-mentioned portion of public fund and individual economic households' operation capital deposited as savings deposit are still deposit at such banks after they are transferred from the savings deposit accounts to the corresponding units' accounts or individual households' special accounts. The total amount of bank deposits remains unchanged. Therefore, if one says that savings deposit is a kind of state liability, it may be a liability capital for an endless term.

Under China's socialist system, the monetary income of residents gradually increases, so that the residents' savings deposit increased year after year. To put money in deposit is a act by residents to support the state's construction of socialism, and is a factor indispensable to families having a certain sources of income, or to individuals leading a normal life. Judging from each entry of deposits, there is a term so that the money will be withdrawn upon maturity. Taking the savings deposit as a whole, however, people constantly withdraw money and deposit money. The balance will not drop but will increase with each passing year under normal circumstances. According to the experience gained by foreign countries, in the wake of the growth of people's income, the savings ratio, that is the proportion of savings to the income, will be increased. The more rapid the growth, the higher is the savings ratio. Therefore, under the circumstances where the income of residents is gradually increasing, the savings deposit balance of banks will sharply increase. China's situation over the years after its founding has proved this argument.

To Strive for Further Increasing the Savings Deposit

In order to further increase the savings deposit, we must further do well the following points:

1. We should thoroughly understand the significance of savings deposit in the rectification and consolidation of the socialist construction.

Savings deposit is one of China's major sources of construction capital. A major factor determining the scale and development of our economic construction is the amount of capital available on a material basis. China's basic source of capital for economic construction comes from the accumulative fund, which is determined in the primary distribution of the national income. Our experience has showed that, the proportion of accumulative fund in such distribution cannot be too large, or we shall be unable to reasonably increase the wages, which later become the consumption fund. This is unfavorable to mobilizing the labor enthusiasm of the workers. Under these circumstances, we need to devote major efforts to developing the savings business in order to appropriately increase the construction capital. Unlike the practice of increasing the proportion of accumulative fund in the primary distribution of the national income, the method of using savings deposit to further raise funds for the construction capital is to distribute to an individual first that distributable portion of the national income before absorbing back part of it from him as consumption fund on the basis of volunteerism in order to turn it as production fund. If a resident deposits his money, he can receive interests on a pro rata basis in addition to having the principal back upon maturity. Therefore, the work of promoting the savings business, and increasing the amount of savings deposit may encourage instead of dampening the enthusiasm of residents.

To raise funds through savings deposit is different on principle from the method of doing so by issuing currency. The source of savings deposit is the consumption fund formed after the primary distribution of the national income, and has a certain material basis. The goal of the banks to absorb savings deposit is to turn part of the consumption fund into production fund, thereby changing the form of a portion of the purchasing power from purchasing the means of consumption into that of purchasing the production means. Consequently, the purchasing power of the whole society, as well as the availability of commodities, remain unchanged; and only the supply of production means will be increased at the expense of consumption materials. If conditions are suitable and the rules are appropriately applied, we may promote the development speed of production. The practice of issuing currency more than what is objectively needed can only make the aggregate demand exceed the aggregate supply, and will lead to inflation and price rise, because it lacks a material basis.

2. We should continue to carry out the austerity program in two aspects, further rectify inflation, and stabilize both the currency value and the price level.

A growth of the savings deposit is favorable to stabilizing the currency value and the price level, and creates more

favorable conditions for further implementing the rectification and consolidation work. In turn, a stable currency value and price level is the basic condition for continuously increasing the savings deposit balance. If inflation becomes more serious in the near future, and the price rises very sharply, the growth of savings deposit will slow down, and the balance will even decline like the case in July and August 1988. Therefore, we must continue to carry out the austerity program in two aspects, and adopt further measures for checking inflation and stabilizing the currency value and price level, in order to strive for more growth in the savings deposit.

3. We should take resolute measures to eliminate the element of exaggeration in calculation of savings deposit.

Though we want a further growth in the savings deposit, we resolutely oppose any fictitious growth in it. Therefore, we should adopt measures for eliminating the element of exaggeration in calculation of savings deposit.

For this reason, we should strengthen the propaganda and explain clearly about the value-preservation deposit, so that everyone will correctly understand the nature of such deposit, and know how to calculate the subsidies for value-preservation. We must promptly work out procedures for individual economic households to open their operations accounts and production accounts, so as to distinguish these accounts from the savings deposit account. In particular, we need to adopt resolute measures to eliminate the practice of transferring public fund to savings deposit. This thus requires us to study ways for revising the form for contracting the savings collection offices. Under the circumstances where other types of deposits and other financial institutions are not contracted out but only the savings collection offices and savings deposit, it will become a problem worth being studied that whether or not the existing form of contracting will continue to be carried out, if we cannot work out any specific measures for effectively preventing the transfer of public fund to savings deposit.

Article Views Industrial Structure

HK2202130390 Beijing RENMIN RIBAO in Chinese
5 Feb 90, p 6

[Article by Li Yue (2621 1878): "Readjust and Improve Industrial Structure"]

[Text] The Fifth Plenary Session of the 13th CPC Central Committee took the readjusting and improving of the industrial structure as one of the important links and principal targets of improvement and rectification. This has an extremely important significance in overcoming the current economic difficulties and realizing the sustained stability and coordinated development of the national economy.

The problems existing in our country's economic development are not only the growth speed being too rapid but also the structure being irrational. In the three years from 1985 to 1987, the ratio of the growth rate between industry and agriculture was raised to 4:1 and by 1988 it

was further expanded to 6.7: 1 and the development speed of industry greatly exceed agriculture's capacity to bear. Our country's economy and the economies of the various countries which have shown a relatively coordinated development in the world's economy have both testified that if the proportion in the growth rate of industry and agriculture is maintained around 2.8:1 then it would be rather normal and relatively rational. A serious imbalance has also been found between the basic industries and the processing industries. According to estimates, due to the shortage or lack of energy resources and raw materials, 40 percent of the production capacity of the processing industries have customarily laid idle, and each year the output value produced 400 billion yuan and 50 billion yuan less in tax and profits. In the past seven to eight years, each year temporary stoppage of electric power caused an annual loss to industry and agriculture amounting to as high as 200 billion yuan. Maladjustment in the industrial structure has also been an important cause leading to and aggravating the imbalance in gross volume, currency inflation and financial deficits. This is because under the conditions of the maladjustment of the industrial structure, of the products and labor provided by the various industries some were not suitable for use, some could not be used at all, some were insufficient for use and there were cases that several products or units of labor were good for use as only one product or labor unit. This cut down the absolute amount of effective supply and social gross supply and relatively increased social gross demand. Precisely because of the existence of this sort of innate liaison between the industrial structure and the gross volume, the current maladjustment of the industrial structure was one of the causes leading to and aggravating social gross demand exceeding social gross supply. This sort of imbalance in the gross volumes was also an important cause leading to and aggravating currency inflation and financial deficits.

The fifth plenary session pointed out that we must wholeheartedly devote efforts to stepping up agricultural production and fight for the steady increase in the production of the major agricultural products and for the gradual easing of the contradictions of the tense situation in the supply of raw materials and insufficient transport capacity. In his address on national day, Comrade Jiang Zemin also emphatically pointed out that we must greatly strengthen agriculture, and also strengthen the basic industries and the basic facilities. These demands were all in conformity with our national conditions and the objective demands of the law of development of the industrial structure.

The development of the industrial structure is governed by its own laws. For example, industry must take agriculture as the basis and must be suited to the development of agriculture; the processing industry must take the basic industries as the foundation and must be suited to the development of the basic industries; the industrial structure must be in conformity with the consumption structure and the level of the productive forces of entire

society; and moreover the transfer and shifting of the major industries should abide by the following order: agriculture and light and textile industries, basic industries, and technology-intensive typed and knowledge-intensive industries, and so forth. All this is the objective law which cannot be changed or shifted according to man's subjective wishes. If we wish to realize the rationalization of the industrial structure and the sustained, stable and coordinated development of the national economy we must follow the demand of these laws and cannot go against them. Our readjusting and improving the current industrial structure is also for the sake of being able to work in accordance with the objective demands of the laws governing the development of the industrial structure.

Seen from the historical procedure in the transformations of the industrial structure in economically developed countries like Japan and the U.S., the pattern of the industrial structure in the initial, middle and final stages of industrialization was very different one from the other. In the initial stage of industrialization, the industrial structure showed a light-type of structure and in general agriculture and the light and textile industries played a leading role in the economic development and labor-intensive type and resource-intensive type industries were absolutely predominant. In the middle stage of industrialization, the industrial structure leaned to the heavy and chemical industries, the basic industries played the leading role in the economic development and capital-intensive type and technology-intensive type industries occupied the predominant position. In the final stage of industrialization, the tendency of the industrial structure turning to a high degree of processing was increasingly obvious, high-grade durable consumer goods industries and highly technical industries developed rapidly and knowledge-intensive type and knowledge-merging type industries increasingly occupied the dominant position. At present, the industrial structure of the economically developed countries like, Japan and the U.S. is in the final stage of industrialization.

When compared with the economically developed countries, the current conditions of our country are very different. In our country, the level of social productive forces is very low, the labor productivity rate of industry and agriculture is behind by many times, in the rural areas manual tools are depended upon for earning a living, and only a part of the industry is modernized while by far the greater portion is below the level of modernization; at the same time, the level of consumption and the consumption structure of our people are still in the stage of the "being dressed warmly and eating to the fill" type. Hence, seen from the stature of the general body of our country's industrial structure, it does not belong to any one of the initial, middle and final stages of industrialization. Basically it is in the transitional stage from the initial stage to the middle stage of industrialization. Summing up, it may be said to be in the stage of "passing the basic gateway and making up the lessons in agriculture," and the tasks of both crossing the gate and making up the lessons are rather difficult.

Whether or not the target of readjusting and improving the industrial structure decided on at the fifth plenary session can be realized depends on, on the basis of unifying the guiding thought, whether or not we can adopt the measures that have been proven to be effective. Regarding this, we must solve several problems as follows: First, we must put the major investments in the basic industries and agriculture. Comrade Deng Xiaoping already pointed out: On the side of the direction and utilization of investment, I support strengthening the basic industries and agriculture. This is a conclusion drawn from summing up the experiences in the 40 years of economic construction since the founding of the republic. According to the current conditions of our country, for a rather prolonged period from now on, we should raise on a rather larger scale the proportion of the investments in the basic industries and agriculture. Second, we should by means of the direction of consumption push the rationalization of the industrial structure and in this connection should realize and continue to realize the conversion from advocating high-grade consumption to advocating building enterprise through hard toil and an appropriate degree of consumption. Third, comprehensive balance should be strengthened and a good job should be done in macroeconomic adjustment and control. Fourth, we must adopt a series of policies and measures to protect and support the major industries and restrict the blind development of the processing industry. Fifth, concurrent readjustment of the increased volume and the existing volume, with readjusting the latter as the major work in the recent period; and concurrently undertaking the support of the major points and restricting output and in the recent period the major work should be restricting production and turning to closure, stoppage, merging and conversion to other trades. The readjustment target should be a combination of fixing the quality and fixing the quantity. The readjustment target should fall on the various districts and departments. The party and government inspection departments and the controlling departments at various levels should incorporate the condition of readjusting the industrial structure in the contents of their supervisory and inspection work.

Report Reviews Gains From Spark Plan

OW2302093190 Beijing XINHUA in English
0713 GMT 23 Feb 90

[Text] Beijing, February 23 (XINHUA)—The "Spark Plan", a program to popularize science and technology in the countryside started in May 1985, has brought

China an increase of 14 billion yuan (2.9 billion U.S. dollars) in agricultural output value and 3.6 billion yuan in profits and taxes.

Launched by the State Science and Technology Commission (SSTC), the program borrowed its name from an article written by late Chairman Mao Zedong titled "A Single Spark Can Start a Prairie Fire."

Like sparks indeed, the more than 14,000 projects and tens of thousands of scientific workers have started a science-promotion fire in the nation's vast countryside.

According to "Economic Information", 5,353 model projects have so far been completed.

Under the program, four million rural youths have received technical and managerial training.

In developed countries, science and technology are said to make up 60 to 80 percent of the ways of increasing labor productivity.

It is estimated that the overall promotion of standard cultivation and synthetic fertilization in China can raise grain output by 40 percent.

The "Spark Plan" is heralded by farmers who are in desperate need of new methods to update farming and improve their living standards.

By the end of 1988, investment totalled 8.7 billion yuan (about 1.8 billion U.S. dollars). Technical workers offered service in the agricultural production front, establishing 500 model enterprises and putting into operation 100 pieces of equipment useful to township and rural enterprises.

It is the core of the "Spark Plan" to mobilize all branches of knowledge and all departments to make determined efforts toward rational use of natural resources, scientific application to production, processing and circulation, and finally realizing a sound economic profit. To this end, a batch of group corporations have sprung up.

The south China science and technology development group on grain and oil, involving 35 units in 10 of the country's provinces and cities, rolls research, production and management all into one.

In 1988, the group recommended 41 crops for planting, and reaped a harvest of about five million kilograms and profit of 500,000 yuan (about 106,300 U.S. dollars).

East Region

Fujian Cadres To Visit Grass-Roots Units

OW2002011390 Fuzhou FUJIAN RIBAO in Chinese
30 Jan 90 p 1

[Text] The Fujian Provincial CPC Committee recently held an enlarged meeting of its Standing Committee to study the "Circular on Organizing Party and Government Cadres To Work at Grass-roots Units" issued by the CPC Central Committee and the State Council. The meeting recalled the work done by party and government cadres at grass-roots units in the previous period, and made arrangements for them to continue the practice in the next period.

Since the Fourth Plenary Session of the 13th CPC Central Committee, the Fujian Provincial CPC Committee has paid great attention to keeping close ties with the masses and to improving the leading style. First, leading cadres took the lead in working at grass-roots units, and many of them lived in villages, factories, and schools. Second, party and government cadres have been organized to do voluntary work. Third, party and government leaders and comrades from the relevant departments have gone to the forefront of production and have helped enterprises, their workers, staff members, and local residents and peasants solve production and livelihood problems. Fourth, a campaign for soldiers and people to learn from Lei Feng and a campaign for cadres to perform actual deeds at grass-roots units have been launched since the time around the Spring Festival. A good trend of party and government cadres vying to go to work at grass-roots units and to take practical actions for the people has begun to develop in Fujian. To continue the practice in an even more widespread, thorough, and protracted way, the provincial party committee and the provincial government, following the guidelines of the circular of the CPC Central Committee and the State Council, have decided to make efforts to strengthen ideological and political work. They have decided to improve the work of party and government offices, and have made concrete arrangements for organizing office cadres to go to work at grass-roots units.

1. After the Spring Festival holidays, a large number of cadres will continue to carry out socialist education at grass-roots units. The 40,000 cadres who engaged in educational activities at grass-roots units last month will return around 10 February to continue the educational work. In addition, some county-level or higher leading cadres will also go to work there. Before they return there, they should sum up and exchange experiences in the educational activities of last month, and further enhance their understanding of their tasks.

2. Members of the Standing Committee of the provincial party committee and vice governors will each keep in touch with a selected locality. In recent years, the provincial leading cadres in Fujian have each been in contact with a poor region that receives provincial assistance. The provincial party committee has decided

that from this year on, members of the Standing Committee of the provincial party committee and vice governors will each continue to keep in contact with a county, in addition to conducting regular inspections of grass-roots units. In addition, each of them will also maintain contact with a factory, township [xiang 6763], town [zhen 6966], school, or other grass-roots unit according to his or her assigned responsibility. One week will be set aside every month as a "no-meeting week," in which there will be neither Standing Committee meetings of the provincial party committee nor business meetings of the governor and vice governors. During the no-meeting week, leaders of the provincial party committee and the provincial government will visit rural areas and factories, except those on duty and those handling urgent matters.

3. Office cadres will go to the forefront of industrial and agricultural production and construction sites relevant to their jobs, conduct investigations and studies there, and help grass-roots units solve problems. Cadres of provincial, prefectural, and city organs will be organized to visit grass-roots units in three ways: 1) cadres of various departments and bureaus, organized into small groups and led by department and bureau directors, will visit the enterprises under departments or bureaus. 2) Comprehensive investigative and work groups, organized by departments in charge of overall management—such as the agricultural committee, the planning committee, and the economic committee, and composed of personnel from relevant departments—will go to assist selected regions and large and medium-sized enterprises in the latter's work. 3) In order to solve major economic problems, responsible people of relevant departments, led by leading cadres of the provincial party committee and the provincial government, will go to work, conduct investigations and studies, and find solutions on the spot in some regions and organizations.

4. Some time will be set aside for party and government cadres to go to take part in voluntary labor at grass-roots units. According to the decision made by the provincial party committee and the provincial government on forming close ties with the masses and on improving the leading style, members of the provincial party committee and the provincial government should spend two months a year at grass-roots units. Leading members of prefectural, city, and county party committees and governments and responsible people of party and government organizations at and above the county level should spend two to three months a year there. Leading members and office cadres of party committees and governments at and above the county level should engage in collective labor for no less than 15 days a year, and some of the time should be spent on agricultural collective labor. The participation in work at grass-roots units by cadres of various levels should be recorded and inspected periodically.

It is reported that the party committee of provincial organs will inspect those organs with respect to the implementation of the above stipulations, while the

party committees of prefectural and city organs will inspect prefectural, city, county, and township organs in this regard. The general offices of the provincial party committee and the provincial government will inspect all localities in the province and sum up and exchange experiences to ensure the implementation of the above stipulations.

Shandong's Jiang Chunyun Outlines Party Tasks

SK2302070790 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Feb 90

[Text] On 16 February, the work committee of the organs directly under the Shandong Provincial CPC Committee held its first work meeting to study and work out plans for the party work of organs after the reorganization of the work committee.

Prior to the meeting, Comrade Jiang Chunyun, secretary of the provincial party committee, heard briefings and listed five demands on the party work of organs.

1. Efforts should be made to unify people's understanding of the international and domestic situations and strengthen confidence in following the socialist road.
2. Efforts should be made to stress stability because it is an overriding task. It is necessary to link all fields of work with stability.
3. Efforts should be made to strengthen party building, perfect party organizations, activate regular party activities, raise the quality of party members, and strengthen the party's fighting strength of organs.
4. Efforts should be made to improve party style; promote the party's three major work styles of integrating theory with practice, of keeping close ties with the masses, and of conducting criticism and self-criticism; and straighten out the practice of organs.
5. At present, special efforts should be made to grasp the study of the basic Marxist theories, central directives, and the party's line, principles, and policies; raise the theoretical level of party-member cadres; and resolutely maintain unity with the party Central Committee.

Ma Zhongchen, deputy secretary of the provincial party committee; Ma Zhongcai, member of the Standing Committee of the provincial party committee; and the secretary general and secretary of the party work committee of organs directly under the provincial party committee attended and addressed the meeting.

Shen Daren Views Jiangsu Multiparty Cooperation

OW2:02192590 Nanjing XINHUA RIBAO in Chinese
9 Feb 90, p 1

[By Guang Xiu (1639 4423) and Ting Zhi (2185 4249)]

[Text] On the afternoon of 8 February, the Jiangsu provincial party committee held a seminar with leading officials of various democratic parties and industrial and commercial associations, as well as people without party affiliation, to study "The Opinions of the Central Committee of the Communist Party of China on Persisting

in, and Improving, the System of Multiparty Cooperation and Political Consultation under the Leadership of the Communist Party of China."

Deng Hongxun, deputy secretary of the provincial party committee, presided over the seminar, and Shen Daren, secretary of the provincial party committee, delivered a speech.

Sun Han and Luo Yunlai, respectively chairman and vice chairman of the provincial Chinese People's Political Consultative Conference [CPPCC] committee, attended the seminar. Also present were Qian Zhonghan, Tang Nianci, Deng Haoming, Gao Juefu, Chen Minzhi, Chen Suiheng, Cheng Bingwen, Zhang Chenhuan, Wu Zhen, Zhang Yuanzhen, Cheng Qianfan, Ren Jiangping, Sun Guanmao, Shi Xianzhang, Hu Shijun, Guanzhong Wei, Deng Jianzhong, Liu Zhenzhong, Tao Keli, Hu Min, and Han Wenzao, who are either leading officials of various democratic parties and industrial and commercial associations in Jiangsu or people without party affiliation. Other participants included Sha Renlin, Lian Baohua, Zhou Weigao, Zhang Yan, Zhou Jiakai, and Xu Guomin, who are officials of pertinent provincial departments.

Comrades who attended the seminar were generally inspired by their study of the document. They unanimously agreed that the document is a guiding paper for future united front work and the endeavors related to democratic parties. They said: The document systematically sums up the successful experiences and fine traditions in multiparty cooperation and political consultation under the CPC's leadership since the founding of New China, especially since the Third Plenary Session of the 11th CPC Central Committee. It consistently implements the two main lines of strengthening and improving the CPC's leadership and of developing socialist democracy, and the role of democratic parties in the government and supervision [of the CPC]. It reflects the systematic coordination of efforts to uphold the four cardinal principles and the reform and open policies. Promulgation of the document will help us further uphold and improve the system of multiparty cooperation and political consultation under the CPC's leadership. It will also help China achieve political stability. Besides, it is an important initiative for promoting political reform and strengthening socialist democracy, as well as a powerful weapon for resisting bourgeois liberalism and the infiltration and "peaceful evolution" carried out by hostile international forces. The formulation of the document demonstrates the great importance the CPC Central Committee attaches to united front work. We should acquire a thorough understanding of the guidelines of the document, implement it in a down-to-earth manner, and make fresh contributions in promoting long-term stability in China and in building the two socialist civilizations.

Shen Daren said: The relaying and issuing of this central document is a major event in China's political life. It has

a profound practical and historic impact on the consolidation and development of China's patriotic united front, the implementation of the party's basic line, the promotion of political reform, and the maintenance of long-term national stability. He also related how the Standing Committee of the provincial party committee studied the document and unveiled the plans for implementation. He said: We should earnestly study the document and constantly improve our understanding of its guidelines. The provincial party committee will treat as a primary task the study, propagation, and implementation of the document, and will enforce it in accordance with the actual situation in Jiangsu. Currently, it is necessary to thoroughly study the document and extensively propagate its guidelines, in order to improve our understanding, unify thinking, and broadly educate both CPC and non-CPC members about the principles and policies for united front work. Meanwhile, we should take specific steps and measures to earnestly implement the guidelines of the document.

Shen Daren emphatically noted: Studying and implementing the document is an important task for the CPC, various democratic parties, and people without party affiliation. The provincial party committee has exhorted party organizations at all levels to conscientiously study and effectively implement the document. It hopes that the various democratic parties and people not affiliated with any political party in Jiangsu will earnestly study the document; gain a deep understanding of its guidelines and substance; bring their thinking in line with those guidelines; and take concrete action to persist in, and improve, the system of multiparty cooperation and political consultation under the CPC's leadership. It also expresses the hope that the democratic parties and people without party affiliation will strengthen efforts in self-construction and self-improvement; actively participate in government and political discussion; fully discharge their democratic supervisory functions; show concern and support for the current campaign to readjust the economy and intensify reforms; enthusiastically work out suggestions and solutions; do a good job in achieving political, social, and economic stability in Jiangsu; and make more contributions in reunifying the motherland and rejuvenating the Chinese nation.

Jiangsu Makes Headway Against Corruption

OW2102065990 Nanjing Jiangsu Provincial Service in Mandarin 1015 GMT 13 Feb 90

[Text] The provincial procuratorate held a press briefing today to report the achievements that the provincial procuratorial organs have made in the struggle against corruption. In 1989, provincial procuratorial organs accepted and heard a total of 7,073 economic cases. Of these, 3,180 cases were filed for investigation; 2,635 were criminal cases involving corruption; and 1,532 criminal elements were arrested. In 1989, the provincial procuratorial organs recovered 39.64 million yuan in economic losses for the state and collectives, which was twice the amount recovered the previous year. Of the economic

cases, 724 were major cases; 108 cases involved an amount between 50,000 to 100,000 yuan; and 74 cases involved an amount of over 100,000 yuan.

Last year, provincial procuratorial organs greatly promoted the crime reporting work. A total of 47,577 clues reporting economic crimes were received from the province. Based on the clues, a total of 2,683 economic crimes were determined and investigated.

One of the main characteristics of last year's economic crimes was the sharp increase in bribery cases. Another characteristic was that there was an appreciable increase in the proportion of crimes committed by responsible people of grass-roots units and by personnel who work at finance, accounting, market, and supply departments.

Zhejiang Cadres To Disseminate Party Line

OW1802013790 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 6 Feb 90

[Text] The second batch of cadres of provincial-level government organs to carry out education on the party's basic line in the countryside will soon leave for Zhejiang's hilly counties. The provincial party committee and the provincial government held a mobilization meeting this morning, urging approximately 180 cadres to earnestly listen to the views, suggestions, and criticisms of the masses. They also urged them to energetically disseminate the party's principles and policies, and help the masses at the grass-roots level solve their actual problems in production and livelihood after their arrival in the countryside. The meeting was presided over by Sun Jiaxian, Standing Committee member and head of the Propaganda Department of the provincial party committee. Li Zemin, secretary of the provincial party committee, and Xu Xingguan, Standing Committee member of the provincial party committee and vice governor of Zhejiang, attended the meeting and made speeches.

Comrade Xu Xingguan said: During the second half of 1989, we transferred more than 20,000 cadres from various government organs in the province to carry out education on the party's basic line in the countryside, attaining excellent results. By so doing, we helped peasants enhance their understanding about the state and the collective, carry out rural reform, develop winter farming, and repair water conservancy projects. This action we took last year gave us great inspiration. That is, we must bring into full play the party's fine tradition of following the mass line, strengthen ties with the masses, improve the relations between the party and the masses, and whip up the enthusiasm of the masses.

In his speech, Secretary Li Zemin of the provincial party committee pointed out: To go amid the masses to carry out investigation and study is our party's tradition. There is an even greater need to bring this tradition into full play at the present moment. Last year, the first batch of cadres from provincial-level government organs who went to the countryside to disseminate the party's basic

line helped strengthen the relations between the party and the masses and between the cadres and the masses, and paved a way for us in the course of performing their duties. They found a new path for the development of the two types of civilizations in the countryside and for helping government cadres improve their work style. We must not underestimate the achievements and experiences of this campaign of carrying out education on the party's basic line in the countryside. We must earnestly sum up such experiences. Comrade Li Zemin also said: According to the guideline laid down by the central authorities, the provincial party committee had already decided to turn the practice of sending party and government cadres, particularly leading cadres, to grassroots units to conduct investigation and study into a regular system. Work in rural areas will be greatly improved if such a system is persistently practiced there for several years.

Central-South Region

Guangdong SEZ Mayor Discusses Economic Plans

OW2202214390 Beijing XINHUA in English
1552 GMT 22 Feb 90

[Text] Shenzhen, February 22 (XINHUA)—Shenzhen Special Economic Zone will become a comprehensive special economic zone in the 1990s, with advanced science and technology and industry as the mainstay and service a major sector.

Li Hao, mayor of Shenzhen City, made the remark at a three-day city work meeting which ended here today.

He said the city plans to increase its gross product to the level of moderately developed countries and make it a major exporter for the country and a successful experimental zone in economic and political structural reforms.

On this year's work, Li said that the city will strive for stability, growth and development in the course of improving the economic environment and straightening out the economic order.

The city will also do a good job of operating export-oriented businesses, opening up international markets, actively attracting foreign investment and speeding up the growth of an export-oriented economy.

The city will continue to curb capital construction, readjust investment patterns and concentrate on major infrastructure projects in a bid to lay a solid foundation for the economic development of the zone in the second decade.

In addition, macroeconomic readjustment and control will be further improved to upgrade the management mechanism within enterprises.

Xu Shijie Attends Hainan Representatives' Forum

HK2302024390 Haikou Hainan Provincial Service
in Mandarin 1100 GMT 18 Feb 90

[Excerpts] The Ninth Meeting of the Standing Committee of the Hainan Provincial Conference of People's Representatives concluded in Haikou this morning.

The participants at the meeting adopted a series of laws, regulations, motions, appointments, and dismissals, including "Key Points of the Work of the Standing Committee of the Hainan Provincial Conference of People's Representatives in 1990," "Environmental Protection Regulations of Hainan Province," "Regulations of the Hainan Special Economic Zone on Compensated Transfer of Land Use Rights," "Regulations of Haikou City on Economic Contract Management," "Report of the Second Plenary Session of the Hainan Provincial Conference of People's Representatives on Handling Motions, Proposals, and Criticisms," "Decision on Increasing the Number of Deputies to the Conference of People's Representatives at City and County Levels," "Decision on the Convocation of the Fourth Plenary Session of the Hainan Provincial Conference of People's Representatives," and so on. [passage omitted]

Xu Shijie, secretary of the Hainan Provincial CPC Committee and concurrently chairman of the Standing Committee of the Hainan Provincial Conference of People's Representatives, delivered a speech at the meeting.

In his speech, Comrade Xu Shijie summed up the achievements of the conference in formulating local laws, appointments, and dismissals, and the supervision of government work since its first session.

Comrade Xu Shijie stressed that Hainan must fully develop its own advantages and make full use of all the preferential policies adopted by the central authorities toward Hainan in the years ahead.

Comrade Xu Shijie held that Hainan's economic development depends largely on preferential policies, political stability and unity, and qualified personnel. [passage omitted]

Hubei's Guan Guangfu Views Discipline Inspection

HK2202041790 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 18 Feb 90

[Text] Guan Guangfu, secretary of the Hubei Provincial CPC Committee, delivered a written speech at the recently convened provincial conference on discipline inspection work.

In his speech, Comrade Guan Guangfu pointed out that the provincial Discipline Inspection Commission and the discipline inspection organs at all levels in Hubei have achieved marked results in adhering to the principle of strictly managing party affairs, strictly enforcing

party discipline, and strengthening the building of party style and party discipline over the past year.

He stressed that redoubled efforts must be made to investigate and crack major and serious cases, strictly enforce party discipline, push ahead with the struggle against corruption, and practically help the CPC committees at all levels improve their work style.

After fully affirming the work done by the provincial Discipline Inspection Commission in 1989, Comrade Guan Guangfu demanded that in 1990, discipline inspection work concentrate on implementing the CPC's basic line and facing up to the following three major challenges: 1) The challenge of being the governing party; 2) The challenge of reform and opening up to the outside world; 3) The challenge of peaceful evolution mounted by antagonistic forces at home and abroad.

He said that at present, discipline inspection work must aim at deepening the struggle against corruption and at ensuring the smooth progress of the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform. It is necessary not only to oppose economic corruption, such as cases of embezzlement and bribery, but also to oppose corruption in the ethical, ideological, and political spheres. Discipline inspection work must center on investigating and cracking corruption cases that involve party members. Nevertheless, it is also necessary to comprehensively strengthen the building of leading party organs; the education in party spirit, party style, and party discipline; and the supervision of party style. It is likewise necessary to educate the broad masses of party members by investigating and cracking major and serious corruption cases involving party members. Redoubled efforts must also be made to strengthen the building of an inner-party discipline inspection system in a comprehensive manner. To do this requires certain aspects to be stressed, with a view to bringing about a fundamental turn for the better in the enforcement of party discipline.

He stressed that in 1990, discipline inspection organs at all levels must step up their efforts in investigating and cracking discipline violation cases involving party members. They also must concentrate their efforts on removing all types of obstacles to the investigation of major and serious corruption cases involving party members. To this end, both CPC committees and discipline inspection commissions at all levels must join hands and make concerted efforts to further strengthen discipline inspection work. At present, comrades engaged in discipline inspection work often come across one obstacle or another when carrying out investigations of certain major or serious cases. Some of these obstacles have been deliberately created by certain leaders, whereas others have resulted from the influence of certain old and conventional ideas and customs. Some obstacles are tangible, whereas others are intangible. Some are direct obstacles, whereas others are indirect. CPC committees and discipline inspection commissions

at all levels should be bold and good at removing all these obstacles. Efforts must also be made to overcome bureaucratism on the part of certain leaders in the course of the investigation and cracking of major and serious corruption cases involving party members.

Comrade Guan Guangfu said that so far, there have been quite a few discipline violation cases involving party members in the party, government, and judiciary organs. Therefore, all the relevant departments must closely cooperate and coordinate with one another in investigating and cracking such cases. Only by acting in this way will the comrades engaged in discipline inspection work obtain twice the results with half the effort. The discipline inspection commissions at all levels should actively take the initiative in cooperating and coordinating with all relevant departments in investigating and cracking major and serious discipline violation cases. The Hubei Provincial Discipline Inspection Commission should undertake to carry out investigations into all types of discipline violation cases involving party members. Nevertheless, it should not concentrate its efforts on cases concerning party discipline only. Since it is the governing party in China, the CPC should also properly manage government affairs. In the past, there was a saying which went: "The party should manage party affairs." This saying is totally correct. However, if the party only manages party affairs and nothing else, it is still not enough. Properly managing party affairs does not mean that the party should only manage party affairs. Therefore, in order to strictly enforce state law and party discipline, CPC committees at all levels should conscientiously study and explore laws governing all types of cases concerning violation of party, government, and judicial discipline.

He stressed that an important task at present is to crack a batch of major and serious discipline violation cases on the basis of the existing facts. This task is of great significance in safeguarding party, government, and judicial discipline. To this end, on the one hand, the provincial Discipline Inspection Commission should actively investigate and crack a batch of such cases and, on the other hand, it should actively provide guidance to the work of discipline inspection commissions at lower levels. After cracking some typical cases, the provincial Discipline Inspection Commission can publicize or issue an internal circular on the handling of such cases so as to maximize the good social results. This is an effective method of conducting education among the party members and masses. All comrades engaged in discipline inspection work should learn to apply this method in practice.

Finally, Comrade Guan Guangfu said that the CPC Constitution stipulates in no uncertain terms that discipline inspection commissions at all levels should supervise the work of CPC committees at corresponding levels, this being an important method of strengthening the building of party style and party discipline. Therefore, discipline inspection commissions at all levels should constantly and conscientiously supervise the

work of CPC committees at all levels. CPC committees at all levels should not only practically strengthen their leadership over discipline inspection work but also consciously accept the supervision of discipline inspection commissions at corresponding levels. The provincial Discipline Inspection Commission should actively guide discipline inspection commissions at all levels to carry out their supervision tasks, assist CPC committees at corresponding levels to strengthen the building of leading party organs, and present proposals to the CPC committees at corresponding levels on strengthening the building of leading party organs. Inner-party discipline inspection is usually divided into: 1) Discipline inspection in advance. This means that a discipline inspection commission will offer suggestions and proposals to a CPC committee at the corresponding level in advance. 2) Discipline inspection after the event. This means that a discipline inspection commission will investigate discipline violation cases once such cases are exposed. In a word, CPC committees at all levels must consciously accept the supervision of discipline inspection commissions at the corresponding levels, while discipline inspection commissions at all levels must conscientiously carry out their supervision tasks. Both CPC committees and discipline inspection commissions must be held responsible for any deterioration in the party style of CPC committees at all levels.

Southwest Region

Guizhou's Wang Chaowen Delivers Work Report

HK2102142290 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 19 Feb 90

[Excerpts] The Third Session of the Seventh Guizhou Provincial People's Congress solemnly opened in Guiyang on the morning of 19 February.

The opening ceremony was presided over by Zhang Yuhuan, executive chairman of the session's presidium. [passage omitted]

Governor Wang Chaowen delivered a report on government work. In his report, he said: The region's GNP in 1989 increased by 4.9 percent, the gross output value of industrial and agricultural production by 6.9 percent, national income by 4.1 percent, and budgetary revenues and expenditures by 19.8 percent and 24.4 percent, respectively. With the state-provided subsidy, revenues and expenditures were in balance, by and large. Some other major targets for the economic plan were also mainly attained. In particular, agriculture began taking a turn for the better. The total grain output in 1989 topped 7.08 billion kgs, an increase of 11.4 percent over the preceeding year. Production of cured tobacco, vegetables, fruits, sugar cane, and silkworm cocoons all increased. The per-capita net income of peasants was 433 yuan, a rise of 8.8 percent over the previous year. The rural economic situation as a whole is being ameliorated. In 1989 industrial production increased moderately, despite innumerable difficulties. The output of

major industrial products, such as coal, steel products, chemical fertilizer, plastic sheeting for agricultural use, home electric appliances, and cigarettes, increased considerably. The construction of basic industries and projects for basic facilities, such energy, raw materials, and communications, was seriously undertaken and intensified.

After affirming these achievements, summing up experiences, and explaining where our province falls short, Governor Wang Chaowen outlined in his speech the tasks for this year. He said: To do government work well this year, it is necessary to give top priority to the maintenance of stability and to develop the economy while maintaining stability. On the basis of the aforementioned guiding ideology, Wang Chaowen called on all localities to pay adequate attention to work in the following 11 aspects. 1) To take practical measures to strengthen agriculture as the foundation of the national economy and to boost agricultural production with concerted efforts; 2) to readjust well the economic structure to promote a stable and harmonious economic development; 3) to carry on the double increase and double economy campaign in a thorough way and to try in every possible way to improve economic results; 4) to continue to control social demand and persist in the policy of cutting down financial credit; 5) to seriously straighten out the economic order—in particular, the order of circulation—and to improve and enliven channels for commodity circulation; 6) to uphold public ownership as the main body and to actively develop diverse economic sectors; 7) to deepen the reform and open up wider to the outside world while stabilizing and improving the policy of reform and opening up; 8) to give priority to the development of education and science and technology and to promote economic development by means of scientific and technological advancement; 9) to make unremitting efforts to do a good job of family planning work and to work hard to improve the quality of population; 10) to vigorously strengthen the building of spiritual civilization, and to consolidate and develop the political situation of stability and unity; and 11) to persistently follow the mass line and strengthen and improve government work. [passage omitted]

Hu Jintao Pays Tribute To Tibetan Veterans

HK2302031190 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 18 Feb 90

[Excerpts] On the morning of 18 February, Hu Jintao, secretary of the Tibet Autonomous Regional CPC Committee, and Raidi, deputy secretary, paid a visit to Xikang Tubdain Nyima, vice chairman of the Standing Committee of the Tibet Autonomous Regional People's Congress, and to Lhunzhub Tabkyai, vice chairman of the Standing Committee of the Tibet Autonomous Regional People's Government and concurrently president of the Tibet Branch of China Buddhist Association, to pay tribute to them and wish them good health. [passage omitted]

Comrade Hu Jintao and Comrade Raidi also held cordial talks with the two veteran Tibetan leaders, and spoke highly of the lofty patriotic spirit they have displayed and the great contributions they have made in safeguarding the unification of the motherland and in maintaining stability in Tibet over the past many years.

Comrade Hu Jintao said that no matter what happens in the future, the CPC will never forget those veteran comrades and old friends who have closely cooperated and worked hard with it, through thick and thin, over the past many years. [passage omitted]

Yunnan PLA Units Learn From Lei Feng

HK2302080090 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 21 Feb 90

[Excerpts] The Logistics Department Office of the Chengdu Military Region in Kunming has made unremitting efforts to promote the activities of learning from Lei Feng among its officers and men. This helped them raise their ideological level of serving the people with heart and soul; acquit themselves splendidly in fulfilling many tasks of dealing with emergencies and relief work; and make outstanding contributions in defending and building the border areas. They were commended by the Central Military Commission, the Chengdu Military Region, and the Yunnan Provincial People's Government.

Since its founding in 1985, the office has persistently taken the activities of learning from Lei Feng as a major aspect in beefing up ideological and political work, educating all officers and men to strive to act as Lei Feng. [passage omitted]

Over the past five years, three of the units at the regimental level have been commended as advanced collectives in learning from Lei Feng. The Central Military Commission and the Chengdu Military Region awarded them and many officers and men as advanced individuals.

North Region

Chen Xitong Meets Beijing Government Supervisors

OW2202155490 Beijing XINHUA Domestic Service in Chinese 1426 GMT 21 Feb 90

[By trainee Wang Qibing (3769 0366 0393)]

[Text] Beijing, 21 Feb (XINHUA)— At a meeting this afternoon with the 13 special supervisors hired by the Beijing Municipal Government, Beijing Mayor Chen Xitong said that an important measure to bolster multiparty cooperation and democratic supervision is to invite non-CPC personnel to supervise government affairs. He added that a practical measure to promote governmental cleanliness is to open more avenues, so that non-CPC personnel can come forward to supervise the Government.

The 13 special supervisors are either members of the eight democratic parties or are personnel not affiliated with any party.

Chen Xitong said: Supervisory duties not only include those which can enhance governmental cleanliness, but also those which can heighten government workers' efficiency, so that they will work hard to serve the people, be eager to help them solve their urgent problems, think what the people think, and promptly reflect their problems and requests.

Lu Yudong [0712 3768 2693], director of the Beijing Supervisory Bureau, spoke at the meeting. He said it is in line with the CPC Central Committee's policy of bolstering multiparty cooperation and of promoting political consultations under the CPC leadership to invite non-CPC personnel to supervise government organs and establish ties among the masses, and to request non-CPC personnel to take part in investigating certain issues and handle certain cases. This will also help improve supervisory efficiency.

Some supervisors and the chief engineer of the Beijing Oil Products Corporation said at the meeting that they deeply realize their great responsibilities as government supervisors, and that, while performing their supervisory duties, they hope that they can serve the masses in a practical manner. They hope to promote governmental cleanliness, so that government organs can function more efficiently. They also hope that government workers who perform their duties honestly are publicly commended, so that the work of promoting governmental cleanliness can be effectively enhanced by means of their exemplary deeds.

NPC Deputies Conclude Beijing Investigation

OW2202192790 Beijing XINHUA Domestic Service in Chinese 1449 GMT 16 Feb 90

[By reporter Huang Zhimin (7806 2535 2404) and trainee Wang Qibing (3769 0366 0393)]

[Text] Some 140 NPC [National People's Congress] deputies concluded their investigation in Beijing today. They highly praised the progress made by Beijing City in agricultural and industrial production and urban construction and expressed an ardent hope that relevant departments would further improve work related to the people's livelihood and the promotion of spiritual civilization.

The investigation began on 7 February. The deputies visited villages, factories, and urban districts and, wherever they went, they found signs of stability and development. The deputies, however, also offered positive suggestions on a number of problems in Beijing. Zhang Chen and Ye Peiying brought up the question of saving water. They said: After making an on-the-spot investigation, we feel that Beijing is indeed extremely short of water. On the other hand, however, water is being wasted to a serious extent. They urged the people in the capital

to understand that "water is dearer than oil," and to be conscious of water conservation. Deputy Xie Tieli said: Some comrades couldn't care less when they see water gurgling out of a broken faucet. Even if they bothered to send for a repairman to fix it, they would probably have to wait several days to two weeks before the faucet could be fixed. How could such a thing happen? It is because these comrades believe that water is from heaven, free of charge. They do not know that water is the most valuable of all commodities, and no one would be able to survive without it. When we see water dripping from a faucet, we should deal with as urgently as we deal with a fire in order to save every drop of water we can.

Deputy Xie Tieli also said: Currently, breakfast snacks in Beijing are unevenly distributed. For example, youtiao [deep-fried dough sticks] and steamed buns are unavailable in some parts of the city. The quality of some foods, like bean curd, is not up to standard. The relevant departments should pay greater attention to these things which affect the people's live and do a better job in this regard.

Deputy Chang Shana spoke of a trip she had made to a savings office to deposit money. When she arrived there, she found clerks chatting among themselves. She intentionally stayed there for an hour and found the clerks chatting nonstop during the whole period. At last, she ventured a suggestion to the clerks who, in return, answered back with sarcastic remarks. She said: What was going on in the savings office is not an isolated phenomenon. A few years ago, Beijing City set out to foster "awareness of being the capital." This is a correct idea. The question is to truly carry it out. Some deputies suggested that, in order to improve services, we should, in addition to enhancing management and education, intensify vocational training.

To maintain even closer ties between the party and the people, display greater concern for the people's livelihood, and solve their practical difficulties, Deputy Zou Yu advanced four suggestions to the municipal party committee and government: 1) The city's principal leading comrades should take the lead in visiting a factory, village, or school, and stay there for two to four weeks. 2) Every leading cadre of the city should maintain regular contact or correspondence with 10 grass-roots cadres or ordinary people. 3) Every leading cadre should take a ride in a bus or subway once every month and listen first hand to what the people think, talk about, and want. 4) Every leading cadre should take a stroll in the food market once every month. Zou Yu said: This should be adopted as a system. As long as we take root among the masses, we shall certainly be able to carry out our work well.

While fully affirming the capital's achievements in promoting spiritual civilization, Deputy Ren Jiyu noted that it is necessary to further enhance education on ardently loving the CPC and socialism. He said: China is a country with an ancient civilization. We should make history education an important part of promoting

socialist spiritual civilization. He suggested that statues of Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhe De, and other proletarian revolutionaries, as well as other national heroes and inventors who made great contributions to the Chinese nation, be erected in the streets of the capital. He said: When we speak about the contemporary and modern history of China, we cannot but mention the names of Sun Yat-sen and Mao Zedong; when we speak about the history of China, we cannot but mention those historical figures who made contributions to the Chinese nation. He believed that it would be better to erect a statue of General Zhang Zizhong rather than that of a little girl in Zhang Zizhong Road. Deputy Ye Peiying suggested that, in future, the various units should sing the national anthem instead of just playing it in order to inspire the people's patriotism. Leading cadres at all levels should take the lead in singing the national anthem.

Hebei's Xing Chongzhi Visits Baoding Workers

SK2302013990 Shijiazhuang HEBEI RIBAO
in Chinese 19 Jan 90 p 1

[Text] On 15 January, Xing Chongzhi, secretary of the provincial party committee, and Han Licheng and Tian Futing, leaders of Baoding City visited some enterprise workers in the city who were experiencing temporary difficulties.

The Baoding Firmware Plant is a collective enterprise with more than 160 workers. Because of a shortage of funds, the production of products unsuited to market demands, debts, and some other reasons, this enterprise had suspended production for one year. Nearly 117 workers in the plant were waiting for jobs. Xing Chongzhi said: Party committees and governments at all levels and relevant departments should go deep into enterprises that have difficulties, conduct investigations and study among them, and help them solve practical difficulties. As for enterprises that have difficulties in funds but whose products can find a good market, the government and company should do everything possible to raise funds and help them find a way out. Certainly, enterprises must rely on their own efforts to produce readily marketable products and open up markets in order to tide over difficulties. Xing Chongzhi also made careful inquiries into the reasons for the difficulties and the living conditions of six workers whose difficulties were particularly outstanding. He called on the city government, the trade union, and the civil administrative department to help them solve problems in living by providing them social relief.

In Baoding Smeltery, Xing Chongzhi held talks with responsible people of that plant. He praised that plant for displaying the spirit of concentrating efforts on grasping the readjustment of product mix and running the plant through thrift and hard work. He said: The campaign of improvement and rectification is a severe test for enterprises. Many good methods were called to mind during the most difficult time. It is also a severe

test for leading bodies of enterprises. During this period, many outstanding cadres will emerge, and some cadres with poor ideology, work style, and mental state will be eliminated. It is necessary to readjust product mix, transform equipment, and improve the leading bodies in the course of improvement and rectification.

Enterprises should have a spirit of discovering new products and a spirit of working painstakingly. With this, they can find new methods for carrying out their work and a good market for their products, even though it is difficult for them to do so.

In Baoding No 1 Silk Plant, Xing Chongzhi visited workers on the forefront of production. On hearing that this plant began to witness a favorable turn for the better in production and operation by developing new products and by carrying out the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures under the situation of the slump market, Xing Chongzhi said: In order to extricate themselves from predicaments, enterprises must depend on the advantages of politics, technology, and equipment. Developing new products is one of the best ways for invigorating enterprises. Enterprises must strive to increase the variety and quality of products and produce competitive products. It is necessary to concentrate the limited amount of funds on key projects. Each and every enterprise and each and every trade and profession should tackle several key problems and attend to some crucial aspects. Only then can they vitalize production and operation.

Wang Qun Visits Inner Mongolia Trade Union

SK2302012790 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 20 Feb 90

[Excerpts] The fifth congress of the autonomous regional Trade Union Council ceremoniously opened in the auditorium of the autonomous regional Chinese People's Political Consultative Conference [CPPCC] Committee on the morning of 20 February.

Attending the congress were leading comrades from the autonomous regional party, government, and Army organs, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Wang Duo, Batubagen, Hao Xiushan, Shi Shengrong, Yang Enbo, Wen Jing, Liu Yunshan, (Peng Kuiyuan), Wuyunqimuge, Bai Junqing, Bai Yongsheng, (Zhu Yifeng), and (Yan Zifen). Delegates at the congress are from various leagues, cities, and enterprises throughout the region and are on behalf of the 2.5 million members of the trade unions at all levels and of 3.5 million staff members and workers of various nationalities.

Items on the congress' agenda are to hear and discuss the work report of the fourth committee of the autonomous regional Trade Union Council, to hear and examine the work report of [words indistinct] and the work report of [words indistinct], to elect members of the fifth committee of the autonomous regional Trade Union Council

and [words indistinct], to put forward the tasks of the region's trade union work for the coming five years while summarizing and reviewing the work done over the past five years, and to commend a number of collectives and individuals outstanding in trade union work.

(Lin Yihuan), executive chairman of the congress, delivered an opening speech and Qian Fenyong, deputy secretary of the autonomous regional party committee, delivered a congratulatory speech at the congress. [passage omitted]

In concluding his speech, Qian Fenyong stated that party organizations at all levels throughout the region should attach great importance to trade union work; place the important task of successfully grasping trade union work on their daily schedule; clearly understand and master the situation in trade union work; take the lead in discussing, studying, and defining the important topics for discussion in trade union work; and should realistically deal with the problems of [words indistinct], which have cropped up in trade union work. Party organizations at all levels, and particularly organizations at the grass-roots level, should pay attention to successfully developing trade union organizations among workers—particularly among industrial workers who are working on the forefront—and should have the series of policy decisions formulated by the CPC Central Committee and the autonomous regional party committee for the three large mass organizations—including the Communist Youth League Committee, the trade union, and the women's federation—strictly implemented to the letter as soon as possible throughout the autonomous region. [passage omitted]

Inner Mongolia's Bu He on Democratic Centralism

SK2202055990 Hohhot NEIMENGGU RIBAO in Chinese 9 Jan 90 p 1

[Article by Bu He, deputy secretary of the Inner Mongolia Autonomous Regional CPC Committee and chairman of the regional government: "Comprehensively and Correctly Understand and Implement the Party's Principle of Democratic Centralism"]

[Text] Comrade Xiaoping said that stability is currently the overriding task, and that defending stability and unity is in the greatest interest of all. Work in many fields is required to strengthen and defend unity. Of the work, an extremely important aspect is to comprehensively and correctly understand and implement the party's principle of democratic centralism.

First, our party was organized by relying on the organizational principle of democratic centralism. In depending on the principle of democratic centralism, the masses of party members were organized into an organic unified entity to ensure the implementation of the party's resolutions. This is an important difference between the proletarian political party and other political parties. The Communist Party is not the total of many party members but is a unified organic body. As

contradictions exist in all things in the world, our inner-party life is also full of contradictions, including those between party members, between party members as individuals and the party as a whole, between the minority and the majority, between the lower levels and the higher levels in the party, and between those in the lead and those who are led. Only when we adopt correct thinking and methods to resolve these contradictions can the organization of the party become a strong class organization with a unified will and action. Such a correct method is the party's democratic centralism. Implementing democratic centralism means to fully develop democracy while acknowledging objective contradictions and, in the process of developing democracy, to muster correct opinions to form a unified will of the entire party, and then to unify the action of the entire party. This means that on the one hand, the leading organs of the party should exercise centralized and unified leadership on the basis that the party's democracy is developed; and, on the other hand, the masses of party members carry out extensive democracy under centralized guidance. Such unity of opposites of democracy and centralism is democratic centralism.

Second, we should uphold both the centralism based on democracy and the democracy under centralized guidance. We should always uphold the unity of democracy and centralism and the unity of freedom and discipline and take the initiative in upholding the principle of democratic centralism. This is a manifestation of our strong party spirit and political awareness. It is wrong and also very harmful to emphasize "democracy" without considering whether it is socialist democracy or individual democracy and to set centralism based on democracy against democracy under centralized guidance without understanding their unity. Wasn't it the so-called democracy and freedom that were used by the Western bourgeoisie and an extremely small number of elements engaged in bourgeois liberalization within the country to incite the political turmoil in spring and summer last year? We should firmly remember this lesson paid for with blood; resolutely oppose development of the individual democracy of the bourgeoisie and the democracy of individuals; and uphold socialist democracy, people's democracy, and the democracy under the guidance of the party's correct line and principles. As a reflection of the various contradictions in the inner-party political life, democratic centralism itself is the dialectical unity of the system of democracy and the system of centralism, which are related to and restrain each other. By centralism, we mean the centralism based on democracy and not one that is divorced from democracy. By democracy, we mean well-guided democracy and not ultrademocracy and an anarchic state within the party. Therefore, without democracy, centralism no longer exists, and without centralism, democracy will go astray. The so-called democracy under centralized guidance was called "democracy under centralized leadership" at the seventh congress of our party, and, after 12 years of practice, the word "leadership" was changed into "guidance," thus giving a more precise expression.

This proved that our party is not in a state of disunity, nor is it a place for idle talk. Instead, it is a well-organized fighting collective. All members of the party's organization are not permitted to act their own way when doing work, and they should do their work under centralized guidance. Major manifestations of "centralism" are the principles, policies, and resolutions decided by the party's organization, and all party members should steadfastly carry them out. In other words, they should guide their words and deeds and guide inner-party political life and various democratic activities with the principles, policies, and resolutions decided by the party's organization. Of course, we have always maintained that each and every party member has the right to air his views on party's resolutions through proper channels and the right to reserve his views. However, in action he should defend the party's principles, policies, and resolutions. Normal democratic life cannot be divorced from centralized guidance. If centralized guidance is lost, the party's organization will become lax and weak and will lose its strength for leadership. At the recent party congress, we always persisted in fully developing democracy; gave extensive heed to the opinions and suggestions from various quarters; and mustered the efforts, wisdom, and correct opinions of the masses. When fully developing democracy, we should also emphasize centralism and unification in line with the party's line, principles, policies, and discipline. Without a unified will and centralized and unified leadership, our purposes will be difficult to attain.

Third, we should defend the party's organizational principle and abide by the party's organizational discipline. Democratic centralism is not only the party's organizational principle but also its organizational discipline. It demands that the individual subordinate themselves to the organization, the minority to the majority, the lower levels to the higher levels, and all the party members and organizations to the Central Committee. This is an ironclad discipline to ensure the consolidation of the party's organization and the unified action of the entire party. Communist Party members and organizations should take the initiative in defending its organizational principle. This is the most basic knowledge they should have. All Communist Party members, no matter whether they are in high or low positions and whether they are veterans or new, should take the initiative in strictly abiding by party discipline and place themselves in the party's organization, not outside the party's organization, still less above it. Strictly abiding by party discipline does not mean to discard democracy. Party discipline should be abided by on one's own accord and be based on full development of democracy within the party. To defend the party's organizational principle of democratic centralism, we should correctly understand and handle the dialectical relationship between democracy and centralism and between freedom and discipline. In fact, some comrades within our party still set one against the other or separate them, regarding them as being mutually intolerant. It seems to them that when centralism and discipline are emphasized, the party's

democracy is bound to be restricted and negated. Such an understanding, like the tendency of giving lopsided emphasis to centralism and discipline to the neglect of democracy, is a misunderstanding of the party's organizational principle. The party Constitution considers upholding democratic centralism one of the three basic requirements and includes it in its general program. It urges the entire party to "fully develop democracy within the party, carry out a high degree of centralism based on democracy, strengthen the sense of respect for organizational discipline, and ensure unified action of the entire party and the rapid and effective implementation of the party's decisions." The keynote of the report to the recent party congress and the namelists of the candidates for members of various committees were submitted after repeated discussions in a fully democratic manner and they were approved in principle by the party Central Committee after examination. When deciding on the members of the fifth committee, the party Central Committee and the regional party committee gave consideration to the factors, relationship, and needs of various fields as well as to the needs in work and the overall situation. The principles and opinions in the keynote reflect the desires of the party members and masses of various nationalities in the autonomous region and are conducive to the work in various fields of the autonomous region. Our comrades should take the initiative in defending the principles decided by the regional party committee and the party Central Committee; in defending the party's political discipline; in opposing impetuous actions; in quibbling over historical scores; in opposing preoccupation with personal feeling of gratitude or resentment and personal gains and losses; and, particularly, in resolutely opposing political liberalism and organizational factionalism and small-group mentality. Party members' sense of organization and organizational discipline and their accomplishment in party spirit can be judged most easily at the crucial moment.

Shanxi's Li Ligong Discusses Party Building

HK2202103190 Taiyuan SHANXI RIBAO in Chinese
13 Jan 90 p 1

[Report by reporter Li Xiangmin (2621 4161 3046): "Li Ligong Stresses Grasping Three Issues in Party Building"]

[Text] A five-day meeting of the directors of the organizational departments of the whole province concluded yesterday. At the conclusion of the meeting, provincial party committee Secretary Li Ligong attended the meeting and spoke. He demanded: The party organizations at all levels must fully understand the current domestic and foreign situation and the heavy historic duties they are shouldering; do a very good job in "education in three basic aspects;" ideologically answer the questions that a fairly large number of people has on joining the party; guarantee organizationally that the leadership power at all levels is grasped in the hands of

those who are faithful to Marxism; and call on the party members to foster our party's work style of maintaining close links with the masses.

Provincial party committee Deputy Secretary Lu Gongxun presided over the meeting; provincial party committee Deputy Secretary Wang Maolin and provincial party committee Standing Committee member Zhang Changzhen attended the meeting; and Organization Department Director Zheng Shekui made a short summation.

In his speech, Li Ligong pointed out: To seriously answer ideologically the questions that a fairly large number of the Communist Party members has on joining the party, it is necessary to incisively conduct education in the basic theory of Marxism-Leninism-Mao Zedong Thought. It is also necessary to conduct education on the party's basic line, and education on the party's basic knowledge. The core of "education in three basic aspects" is to apply the Marxist stand, viewpoint, and method to arm the party members and cadres. This is an important policy decision that the party Central Committee has developed for the party's ideological building in the light of the changes in the situation at home and abroad, and after the application of the Marxist viewpoint and method to profoundly analyze the present ideological state of our party.

Li Ligong seriously analyzed the situation in the party building of our province. He said: The ideological state of the party members of our province is, on the whole, good, but many party members have deviated from these basic requirements and forgotten that they are Communist Party members themselves. It is, therefore, extremely urgent and important to conduct "education in three aspects. In the course of conducting "education in three basic aspects," it is essential to exert great efforts to emphatically solve the problem of faith in Marxism, to strengthen belief in socialism, and to strengthen the basic stand in wholeheartedly serving the people. While conducting "education in three basic aspects," we must integrate education with realities and understand its spirit and essence.

While talking about strengthening the building of the party organizations, Li Ligong emphatically pointed out: A fundamental problem of building the party organizations is what type of people will grasp the leadership power. Two experiences and lessons to make people think were drawn from two mirrors—the turmoil and rebellion of our country and the changes in the situation of Eastern Europe. When we grasp the building of the leadership groups at all levels, we must firmly remember this. Over the past few years, our province has made marked achievements in building the leadership groups at all levels. Many leadership groups at all levels and of all kinds are politically strong and trustworthy, but many questions also exist. To grasp leadership power in the hands of the Marxists, the major question is to train and choose people well according to the standards

for cadres. Through checkup and penetrating investigation this time, we must adopt drastic measures to deal with those who are unsuitable for the leadership posts and must not tolerate evil, abet it, and its revival to chance. In the selection and appointment of cadres, we must not place emphasis on their ability without taking their political quality into consideration and we must put cadres' revolutionary qualities above everything else. We cannot put those who are unable to pass the stiffest political test, though they are competent, in responsible positions. We must be very vigilant against and keep out of office those who advocate all kinds of Western non-Marxist trends of thought and who adopt a negative and sceptical attitude toward the Marxist theory; those who waver politically, trim their sails, are fond of playing politics, and are good at disguise; those whose individualism is serious and who are seriously divorced from the masses, have strong desire for power, and are dishonest; and those who defy party discipline and do not abide by and know the basic rules of the party. We must not allow these people to enter a leadership group.

Comrade Li Ligong said: While we are emphasizing that the leadership power at all levels must be grasped in the hands of those who are faithful to Marxism, we must emphatically give play to the collective and organizational role of the groups. It is very hard to achieve the desired aim if we stress only improvement in the quality of individuals without the building of a group as a whole. In the aspect of strengthening the building of the leadership groups, what should be especially stressed is that it is imperative to vigorously step up the building of democratic centralism. Within a party committee, on the one hand, we must combat and overcome the abominable behavior, "one person alone has the say," the "patriarchal system," and "one person lays down the law" that sabotage the party style and democracy; on the other hand, we must by no means allow the disorganized and undisciplined situation in which each goes his own way and the state is like a sheet of loose sand to occur. In elections at a county level and in other places of our province, if an individual Communist Party member or a leading cadre takes the lead in canvassing votes, works from behind the scenes to vote for or against certain people, and lets a candidate, who has been recommended by a party committee, fail to be elected, it is essential to seriously deal with and punish him after investigation. What is now most urgent is that we must resolutely overcome and correct the unhealthy trend and corrupt phenomenon in the employment of people. The ranks of our cadres now have a bad common practice, which includes two aspects: On the one hand, some comrades have a very strong desire to become "officials." Before they stay long at their posts, they long for other higher posts of "officials." They always feel that their talent is wasted on a petty job and that they should be promoted but are not promoted, as if their organizations owed them a debt. They, therefore, try to establish contacts, look for supporters, and even give gifts. On the other hand, some of our leading comrades lack vigilance against these people and heed and trust only one side.

What is worse, they promise high posts and other favors and build up trusted followers. As the harm of the corrupt phenomenon in the employment of people is greater and its influence is worse, we must be determined to put an end to such common practice. We must strictly observe the procedure for the selection and promotion of cadres; alter the method of the assessment of cadres; go to the forefront of practice to discover, select, and promote qualified personnel; go among the masses to select and judge cadres; and discern and assess cadres in the great storms of political struggle. The organization departments must act as a good adviser to the party committees, be impartial and honest, and dare to tell the truth and to report the actual situation so as to ensure that they are upright, are not flattering, and do not take their cue from their leaders. The party committees, especially the principal leading comrades, must heed the opinions of the organization departments and must not commit the malpractice in which one person lays down the law.

Li Ligong pointed out: The question of the relations between the party and the masses is the key question of the building of the ruling party work style. First, our leading comrades at all levels must really and firmly establish a mass viewpoint ideologically. At no time and under no circumstances must we forget that our power is vested by the masses and that we must exercise the power to work for the masses and to serve the people. The leading comrades at all levels must personally go among the masses, share weal and woe with the masses, and establish deep affection, so that the masses can be affectionately on intimate terms with us. This is extremely important. Moreover, it is necessary to seriously do well in grasping the specific implementation of all policies and measures. Second, we must vehemently grasp the building of honesty and resolutely investigate and punish the people who accept the unhealthy trends and commit deeds that the masses strongly report, and must not tolerate them and be softhearted.

Tan Shaowen Attends Tianjin Model Workers Forum
SK2302004390 Tianjin TIANJIN RIBAO in Chinese
25 Jan 90 p 1

[Excerpts] On the afternoon of 24 January, the small theater of the municipal No. 1 cultural palace was permeated with a spring awakening and jubilant festival atmosphere. A forum of model workers to celebrate Spring Festival was held there. Municipal Leading Comrades Tan Shaowen, Nei Bichu, Liu Jinfeng, Zhang Lichang, Wu Zhen, Wang Xudong, Lu Xuezheng, Li Huifen, Pan Yiqing, Li Changxing, Li Zhendong, Qian Qiao, Xiao Yuan, and Fang Fengyou; and Veteran Comrades Li Zhongyuan and Xu Ming happily gathered together with more than 200 model workers to jointly talk about the gigantic changes in Tianjin through reforms and opening to the outside world, and to freely talk about the gratifying situation of Tianjin and the

gigantic achievements made during the past years. They pledged to make ceaseless efforts to improve the work in all spheres.

On behalf of the All-China Federation of Trade Unions, Zheng Wantong, vice president of All-China Federation of Trade Unions, extended festive regards to all model workers and staff and workers of the municipality. [passage omitted]

Tan Shaowen, secretary of the municipal party committee; and Nie Bichu, mayor of the municipality, respectively made speeches at the forum. They first cordially extended festive regards and heartfelt thanks to all model workers and all staff members and workers of the municipality. They spoke highly of the gigantic contributions to the economic construction and the stability of Tianjin made by the working class during the past year and highly praised its selfless sacrificing spirit. They pointed out: This year is the first year of the 1990's as well as a key year to improve the economic environment and rectify the economic order. The municipal party committee and the municipal government have defined the ideologies for guiding the work of this year. First, we should set our sights on stability in everything. Second, we should change difficulties into opportunities. There are two basic ways for turning difficulties into opportunities. The first is to be inspired with enthusiasm and the second is to rely on the masses. Under the current situation, we must have a fine, stable environment in order to achieve a success in improving the economic environment and rectifying the economic order. Only when we achieve a success in this regard can the economy be developed harmoniously and steadily. The improvement of the economic environment and the rectification of the economic order are tasks not only for the economic front but also for the whole party and all of society. We should rely on the concerted efforts of the broad masses of cadres and the people.

Tan Shaowen urged that in the new year, all model workers and all staff members and workers throughout the municipality will have a clear and unified understanding about the situation. Over the past years, Tianjin has made certain achievements in all spheres of work. This gratifying situation is hard-gained. Although we are confronted with some economic difficulties at present, we should understand that the difficulties are temporary ones as well as ones that we have to face in the course of advance. Practices showed that these difficulties will completely be able to be overcome. We should keep contacts with the masses and understand the situation of lower levels. Many new situations and new problems have emerged in the course of improving the economic environment and rectifying the economic order. So, it is more important to understand the real situation and solicit opinions from all fronts. Thus, leaders at various levels should go deep into the grass roots to conduct investigations and study and realistically help enterprises solve difficulties and problems. We should encourage the advanced workers to bring their functions into play. Model workers and advanced workers are

activists emerging from all fronts and play a key role at their posts. So, leaders at various levels should care for and cherish model workers, and form a new social practice of learning from and supporting the advanced and carrying justice forward justice. We should mobilize the masses to rely on the forces of staff and workers. Leaders at various levels should firmly foster an idea of relying on the broad masses of staff members and workers and bring the working class role into full play as the main force. [passage omitted]

Tianjin's Tan Shaowen Addresses Spring Festival

SK2302041090 Tianjin TIANJIN RIBAO in Chinese
27 Jan 90 p 1

[Spring Festival message by Tianjin Secretary Tan Shaowen on 25 January 1990]

[Text] Comrades, friends:

The first Spring Festival in the 1990's arrives in a cheerful and peaceful atmosphere. On behalf of the Tianjin Municipal CPC Committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal committee of the Chinese People's Political Consultative Conference [CPPCC], I extend festive regards to workers, peasants, and intellectuals on all fronts in the municipality; to personages of all circles; to all commanders and fighters of the Tianjin Garrison District, the People's Liberation Army [PLA] units stationed in Tianjin, and the Tianjin headquarters of the Chinese People's Armed Police Force; and to cadres and policemen on the public security front. I also extend Spring Festival greetings to the compatriots in Hong Kong, Macao, and Taiwan; to Overseas Chinese; and to foreign friends who support the construction undertakings in Tianjin.

The 1980's was a period of reform and of opening the country to the outside world as well as a period in which we made brilliant achievements in building socialism with Chinese characteristics under the leadership of the party. Over the last decade, under the guidance of the line laid down at the Third Plenary Session of the 11th CPC Central Committee, the broad masses of party members, cadres, and people throughout the municipality united as one, enthusiastically kept forging ahead, and created extraordinary achievements in developing socialist modernization.

At the time of vigorously making our Armed Forces more revolutionary, modern, and regular, the PLA has enthusiastically joined and supported the development of spiritual and material civilizations and made great contributions in safeguarding the political situation, which is characterized by stability and unity. They have also promoted the progress of reform, opening to the outside world, and the four modernizations.

The 1990's is a key period to realize the country's overall strategic goal of socialist modernization as well as a

crucial moment to decide the Chinese nation's prosperity and honor in the next century. The next 10 years is an extremely important period in which to realize the common goal as defined by the people of the municipality. It is also an important time to build Tianjin into a general industrial base with advanced technologies, an open and multifunctional economic center, and a modern port city. We shoulder heavy responsibilities when we are looking forward to the future. It is of great significance to achieve the work in 1990 under the current international situation. So, we should deeply implement the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee and the enlarged meeting of the municipal party committee; and positively promote the progress of improving the economic environment, rectifying the economic order, and deepening reform on the premise of ensuring stability. We should set our sights on stability in doing everything; and strive to stabilize the economy, the political situation, and society. We should change difficulties into opportunities, be inspired with enthusiasm, overcome difficulties, and promote the work to a new level.

At any time, we should firmly remember that the four cardinal principles are the foundation for building the country. We should also remember that reform and the opening of the country to the outside world is the way to make the country stronger. We should constantly persist in making economic construction the core of our work; strive to develop productive forces; have a clear-cut stand to oppose bourgeois liberalization; and unswervingly promote the progress of reform and opening the country to the outside world.

At all times, we should firmly remember that the masses of the people are the source of strength as well as the foundation of victory. So, we should continuously uphold the fundamental goal of wholeheartedly serving the people; vigorously carry forward the party's fine tradition of keeping close contacts with the masses; keep to the basic work ideology of "doing everything for the people and relying on the people to do everything;" and further mobilize and arouse the people's enthusiasm and creativity. According to the arrangements of the municipal party committee and the municipal government, party and government cadres at various levels should go deep to the grass roots, plants, rural areas, schools, and neighborhood committees to understand the situation of the people; to extensively establish friends among the grass-roots people; to do more concrete deeds; to realistically improve work style; and to strengthen the flesh-and-blood relationship between the party and the people.

At all times, we should firmly remember that unity is life, strength, and victory. So, we should strengthen the unity within the party, the unity between the Army and the government and between the Army and the people, the unity between the party and democratic parties, the unity between old and new cadres, and the unity between the people of different nationalities from different circles.

The people in Tianjin have the glorious traditions of "sharing worry with the county and adding honor for Tianjin," the indomitable revolutionary spirit of self-respect and self-improvement, and the precious experience of relying on their own efforts to overcome difficulties. We firmly believe that only when the whole party, all people of the municipality, and all commanders and fighters of the P.A. units stationed in Tianjin work arduously with one heart and soul under the leadership of the CPC with Comrade Jiang Zemin as its core can we certainly overcome the temporary difficulties in the course of advance and capture a new success in socialist modernization.

Along with the passing of the time, the Year of Horse arrives soon. I wish all of you a Happy Spring Festival and good luck!

Tan Shaowen Addresses Tianjin Study Forum

*SK2302014990 Tianjin City Service in Mandarin
2300 GMT 9 Feb 90*

[Excerpts] On the afternoon of 9 February, the Tianjin Municipal CPC Committee sponsored a forum with the responsible persons of the municipal democratic parties and of the mass organizations concerned, during which, the participating comrades studied and discussed the principle of the CPC Central Committee with regard to continuing and improving the system of multiparty cooperation and political consultation under the CPC's leadership.

Attending the forum were Tan Shaowen, secretary of the municipal party committee and chairman of the municipal Chinese People's Political Consultative Conference [CPPCC] Committee; Nie Bichu, deputy secretary of the municipal party committee and mayor of the municipality; Liu Jinfeng, deputy secretary of the municipal party committee; and Zhang Lichang, deputy secretary of the municipal party committee and vice mayor in charge of routine work.

Tan Shaowen, secretary of the municipal party committee, presided over the forum which was held amid a unified, harmonious, and enthusiastic atmosphere. During the forum, the participating personages spoke frankly and sincerely and vied to voice their opinions. They also exchanged their understanding on the central system and mutually discussed the plan for further continuing and improving the system of multiparty cooperation and political consultation under the CPC's leadership.

During the forum, the participating responsible persons of various democratic parties and mass organizations throughout the municipality pledged to heartily support the opinions of the CPC Central Committee; to earnestly implement the opinions while conducting their practical work; and to play a greater role in making progress in building democratic politics in the country, promoting

the building of socialism reflecting Chinese characteristics, and in fulfilling the cause of reunifying the motherland. [passage omitted]

In concluding the forum, Tan Shaowen delivered a speech in which he stated that through our study and discussion, we had reviewed the work done by various democratic parties in the past and that a host of facts had proved that various democratic parties had made active contributions to building the two civilizations in the municipality and scored great achievements in the work. This has proved that the opinions of the CPC Central Committee is in conformity with China's conditions and also with the practical situation in the municipality. The document is the result of close cooperation conducted between the CPC and various democratic parties and also a scientific conclusion of multiparty cooperation, which has been made by the CPC accompanied with various democratic parties through waging the long revolutionary struggle and engaging in the construction activity. The document represents a criterion which will be commonly observed by the party and various democratic parties in engaging in future work. Earnestly studying or implementing the document has an important immediate or far-reaching historic significance on continuing or improving the system of multiparty cooperation and political consultation under the CPC's leadership, on safeguarding the long-term order and peace of the country, on promoting the building of socialist modernization, and on fulfilling the great cause of reunifying the motherland.

In his speech, Tan Shaowen pointed out that the CPC organizations at all levels must earnestly study and deeply understand the essence of the document's spirit and earnestly implement the spirit while conducting their work. The municipal party committee should first set an example in implementing the spirit. We also hope that various democratic parties should do a good job in studying the document and make efforts to uphold or improve the country's basic political systems. They should regard the document as a guidance, commonly enhance work in this regard, earnestly summarize the experience gained by the party in practice, and should systematize and standardize the work in this regard. We should support various democratic parties to deal with their internal affairs independently, help them improve their working conditions, and support them to carry out various activities. He urged various democratic parties to actively join in political affairs, to carry out consultation on political affairs, to play a role in conducting supervision, to offer more opinions and suggestions, and to make contributions to safeguarding the stability of the whole situation in the municipality and consolidating the excellent trend which has not been easily obtained.

Also attending the forum were leading comrades from the municipal party committee, the municipal People's Congress Standing Committee, the municipal People's Government, and the municipal CPPCC Committee, including Wu Zhen, Yang Jingheng, Wang Xudong, Li Yuan, Li Changxing, Li Zhendong, Xiao Yan, He

Guomo, and Li Jianguo; Liu Zengti, director of United Front Work Department under the municipal party committee; and Guo Jinhou, secretary general of the municipal CPPCC Committee. [passage omitted]

Northeast Region

He Zhukang Present at Jilin Work Conferences

Attends Discipline Gathering

SK2302073190 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 16 Feb 90

[Text] The five-day provincial discipline inspection work conference ended in Changchun today. The conference stressed that it is necessary to grasp the fundamental issue of restoring and developing the flesh and blood ties between the party and the masses and to strengthen the building of party style.

The conference summed up last year's provincial discipline inspection work, commended a group of people who did a good job in handling cases, and made arrangements and worked out plans for this year's work.

He Zhukang, secretary of the provincial party committee, attended and addressed the conference. After affirming our province's achievements in discipline inspection work, Comrade He Zhukang pointed out: We must realistically focus our attention on building party style on the fundamental issue of restoring and developing the flesh and blood ties between the party and the masses. We must regard the settlement of hot problems which the people show strong concern for as the focus of the current building of party style, concentrate efforts on solving these problems one by one in a down-to-earth manner in line with the 10 suggestions of the provincial party committee on building clean politics, and enable the people to realistically see our decision and actions in rectifying party style.

Comrade He Zhukang stressed: We should carry out discipline inspection work in close connection with the endeavor to stabilize the overall situation. The discipline inspection departments should consider safeguarding the party's political discipline as a task of primary importance; strengthen supervision and inspection; and resolutely pursue the responsibility of, and strictly handle, those persons who violate the party's political discipline and stubbornly persist in a bourgeois liberalization stand.

The conference pointed out: The principal tasks of this year's discipline inspection work are to make continued efforts to deeply implement the guidelines of the fourth and fifth plenary sessions of the 13th party Central Committee and the Fifth Plenary Session of the Central Discipline Inspection Commission; concentrate efforts on struggling against corruption in close connection with the campaign of improvement, rectification, and deepening of reform; give special attention to the central link

of investigating and handling discipline violation cases; grasp the building of party discipline and work style; fully display the four functional roles of discipline inspection organs; and guarantee the fulfillment of all tasks put forward by the fifth plenary session of the 13th party Central Committee.

Comrade Li Deming gave a report at the conference. Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Qinglin, and other leading comrades also came to the conference to meet with all comrades attending the conference and presented certificates of honor to those personnel who did a good job in handling cases.

Attends Court Work Gathering

SK2302073590 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 16 Feb 90

[Text] The five-day provincial court work conference ended in Changchun today.

During the past year, the people's courts at all levels throughout the province fully displayed their functional role in dealing blows to criminals, mediating disputes, and protecting the people. The broad masses of cadres and policemen worked with concerted efforts to overcome difficulties and outstandingly fulfilled all procuratorial tasks. The courts throughout the province accepted and heard 108,000 cases of various types and solved 107,000 cases. The rate of winding up cases reached 99.4 percent.

In addressing the conference, He Zhukang, secretary of the provincial party committee, and Du Qinglin, deputy secretary of the provincial party committee, emphatically pointed out: The people's courts should strengthen the function of the people's democratic dictatorship, guarantee social stability, and enable the campaign of improvement, rectification, and deepening of reform to smoothly go on in a stable social environment. It is necessary to fully display the procuratorial function, use legal means to regulate economic relations, safeguard the economic order, and eliminate social contradictions. We must comprehensively raise the quality of court personnel, and continue to strengthen their fighting strength.

Northwest Region

Gansu Party Chief Surveys Rural Areas

HK2302105290 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 22 Feb 90

[Excerpt s] During his recent inspection tour of the rural areas of Tianshui City, provincial party committee Secretary Li Ziqi repeatedly emphasized: The basic tasks of party organizations in the rural areas are to expand production and shake off poverty for prosperity. He called on cadres at all levels, together with the masses of the people, to carry forward the spirit of working hard in

a solid way and struggling hard to ensure a sustained and stable economic development in our province.

Li Ziqi, leading a certain number of comrades responsible for some provincial departments, made an extensive and thorough investigation and study in the rural areas of Tianshui City from 14 to 22 February. [passage omitted]

After making the investigation and listening to reports given by the Tianshui City Party Committee and People's Government, Comrade Li Ziqi delivered an important speech this morning. [passage omitted]

He pointed out: Viewing the province as a whole, both the political and economic situations are generally good. Agriculture has reaped bumper harvests for 7 years running and the problem of food and clothing for most people in our province has been solved. However, we should on no account be satisfied with what we have achieved but should be sober-minded and see clearly problems and difficulties we are faced with in economic work and should foresee difficulties and hardships we might come across in our future agricultural development. For this reason, we should make further efforts to strengthen the position of agriculture as the foundation of the national economy and enormously encourage the spirit of working hard in a solid way. At present we should particularly emphasize the endeavor to keep party policies and the people's minds stable on agricultural production, and continuously strengthen the collective economy and intensify the service system in the rural areas while consolidating and improving the system of contracted responsibilities on a household basis with remuneration linked to output.

Li Ziqi pointed out: This year is the crucial moment for our province to mainly solve the problem of food and clothing for the people. The pinch of poverty is now felt mainly in some frigid areas, [words indistinct] areas and a few minority areas. All localities should seriously come up with some methods, adopt some measures and work out some practical plans to employ the tactics of storming heavily fortified points in helping the poor. High attention must be given to the problem of excessive burdens on the shoulders of peasants. Party committees at all levels should make thoroughgoing and painstaking investigation and study, educate peasants to fulfill duties charged to them by the state and resolutely stop indiscriminate apportioning of labor work. [passage omitted]

Comrade Li Ziqi emphasized: Cadres at different levels should seriously change their style of work, persistently carry forward the party's fine traditions, and maintain the party's flesh and blood relations with the masses of the people. Leaders at the provincial, prefectural and county levels should all go down to the grass-roots units as required by the central authorities and consolidate the points with which they keep in contact. Cadres at and above the county levels should conduct investigation and study for 3 months a year in the grass-roots units to help local cadres solve problems. [passage omitted]

Gansu Secretary Inspects Afforested Zone*HK2302061790 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 21 Feb 90*

[Excerpts] On the morning of 19 February, provincial party committee Secretary Li Ziqi and Vice Governor Lu Ming, braving an early spring drizzle, paid an inspection visit to an afforested zone at (Xiaolung) village. [passage omitted]

The afforested zone covers an area of more than 1,200 mu. In recent years most households in the zone have embarked on the path of shaking off poverty. In 1988 the total income from forestry and sideline occupations in the zone was 5.28 million yuan. However, due to differences in natural resources and quality of population, a large number of people living in the zone are still living a hard life. [passage omitted]

Li Ziqi and Lu Ming visited four households there, inspecting their living conditions and inquiring about their life, grain production, and earnings. [passage omitted]

Ningxia Holds Party Committee Plenum*HK2102150290 Yinchuan NINGXIA RIBAO in Chinese
13 Jan 90 p 1*

[Text] The fourth (enlarged) plenary session of the sixth regional party committee opened in Yinchuan on 12 January.

The main theme of this plenum was to set targets and work out the measures to implement the principle for improving the economic environment, rectifying the economic order, and deepening the reform laid down by the fifth plenary session of the 13th CPC Central Committee, in light of the actual circumstances in this region and in accordance with the spirit of the CPC Central Committee plenum that was transmitted earlier; to push party members, cadres, and the masses of all nationalities throughout the region to get a clear picture of the situation; to raise their morale, and to urge them to work with one heart and one mind, make steady progress, do a better job in improving the economic environment, rectifying the economic order, and deepening the reform, thus fulfill all the tasks relating to economic and social development of Ningxia, and strive to effect a sustained, steady, and harmonious economic development in the region.

The morning session was presided over by Comrade Liu Guofan. Former Regional Party Committee Secretary and newly appointed Jiangsu Provincial CPC Committee Secretary Shen Daren attended and addressed the session, bidding farewell to the participants in the session. Newly appointed Ningxia Regional CPC Committee Secretary Huang Huang delivered a speech and set some requirements on the session. Comrade Bai Lichen presented in his speech his opinions on the implementation of the "CPC Central Committee's Decision on Further Improving the Economic Environment,

Rectifying the Economic Order, and Deepening the Reform." He talked about eight questions, namely, to correctly evaluate the economic situation in the region, have a profound understanding of the necessity of the economic improvement and rectification operation and be well prepared for the difficulties that may arise thereof, and correctly view the goal and guiding ideology of the economic improvement and rectification operation; to make concerted efforts to develop agriculture; to readjust the production structure, improve economic results, and ensure a well-coordinated and steady development of industry; to uphold the preferential policy in support of economic development of the southern mountainous areas; to perfect and deepen the reform and actively expand the opening-up process; to carry forward the spirit of hard work, and be well prepared for thrifty life in the next few years; and strengthen in real earnest the party's leadership over the economic improvement and rectification operation and in-depth development of the reform.

Comrade Bai Lichen said: The past 10 years since the Third Plenary Session of the 11th CPC Central Committee is the golden period of Ningxia. In this period we have achieved great success both in economic construction and in the reform and opening up. From 1978 to 1988, Ningxia's GNP, calculated in terms of comparable prices, increased by 155 percent at an average annual growth rate of 9.8 percent; the per-capita living expenditure income for urban residents increased from 320 to 981 yuan; the peasants' per-capita net income increased from 116 to 480 yuan; and social and economic circumstances have changed significantly as well. Such great progresses have been unprecedented. However, the region is also facing some serious problems in the economic field. To overcome the present economic difficulties, we must not only take stopgap measures but also radical ones. On the one hand, we must strengthen production management, use funds in a more effective way, dredge commodity circulation channels, explore the market, and make every effort to mitigate the unfavorable situation resulting from the sluggish market. On the other hand, we must further improve the economic environment and rectify the economic order, and solve those deep-rooted economic problems in this region. Leading comrades at all levels must brace themselves up, make comprehensive and correct analysis of the situation, find out the possibility of improvement from unfavorable factors, seize any opportunities of development amid difficulties, promptly work out a general plan and specific measures to make use of such opportunities, and thus increase our ability to control the situation and ensure that the economic improvement and rectification operation will score positive and solid results.

Having briefed the participants on the targets Ningxia is to fulfill in the economic improvement and rectification operation, Bai Lichen said: Whether during or after the economic improvement and rectification operation, we must always stick to the guiding ideology that aims at a sustained, steady, and harmonious economic development. In practice, upholding this guiding ideology means

to implement the principle of "stable, steady, and appropriate progress." Comrade Bai Lichen said: It is necessary to continue to consolidate and strengthen agriculture. Only when agriculture is stabilized will we be able to maintain economic stability. This is also the key to the smooth progress of the economic improvement and rectification operation and readjustment of the economic structure. We must bring the initiative of all sectors into full play and increase investment in agriculture. We must make unremitting efforts to develop agriculture and to increase the potential of agricultural development. We must continue to implement all kinds of contracted scientific and technological service systems, set much store in the efforts to spread agricultural science and technology, and thus boost agricultural production. We must induce township and town enterprises to continue to promote production of agricultural and sideline products, to develop raw material processing industries, to make use of the enterprises' favorable conditions in labor-intensive industries to develop exports with a view to earning more revenue in foreign exchange, and to render supporting services to large-scale industries. We certainly have to maintain the continuity and stability of all the rural policies, so as to retain and give full play to the initiative on the part of the peasants. All economic sectors must vigorously support agriculture. In regard of industry, we are mainly to readjust the industrial structure and improve the economic results. At the same time, we must give full play to our advantage in natural resources in this region, and speed up construction of key projects, so as to increase our potential for economic development. Now that the market is sluggish and many enterprises have been suffering from an overstock of products and shortage of funds, governments and economic administrative departments at all levels should take the initiative in adopting various measures to assist these enterprises in tiding over the difficulties, in accordance with the regional government's instructions. We must continue to adopt a supporting policy toward the southern mountainous areas. All the measures to fight poverty and all the preferential policies which have been proved effective in the past will be kept unchanged. Furthermore, we are going to work out some more preferential and effective measures regarding industrial policies and economic development, so as to help mountainous areas develop production and increase their self-reliance ability. While endeavoring to improve the economic environment and rectify the economic order, we must try our best to maintain the continuity and stability of all reformatory policies and measures, and avoid drastic changes, so as to ensure steady growth of productive forces. While maintaining stability of the existing policies, we must constantly perfect, enrich, and upgrade them. All decisions, laws, ordinances, and policies ratified and promulgated by the CPC Central Committee, the National People's Congress, and the State Council must be resolutely implemented; all local ordinances, regulations, policies, and measures which are ratified by the regional party committee, regional people's congress, and regional government and which are in keeping with

the guideline laid down by the central authorities must also be implemented; and it is not allowed to repudiate any decisions adopted by the party committee and government with any regulations enacted by departments on their own. We must vigorously expand the operation of opening up to the outside world and make great efforts to open up a new situation in this regard. We must carry forward the spirit of hard work and be well prepared for thrifty life in the next few years. Party and government organs at all levels, all party-member cadres, especially leading cadres, must take the lead in displaying the spirit of building the country and running all causes through thrift and hard work, share the masses' weal and woe, unite with the broad masses, inspire the masses with exemplary deeds, and prepare the conditions for the accomplishment of the economic improvement and rectification operation and the in-depth reform. Party organizations at all levels, especially the party organizations affiliated to economic departments, in enterprises, and in rural areas, must give full play to their roles as a powerful fighting force. They should proceed in everything from the overall interests of the state and the region; conscientiously implement the policy on economic improvement and rectification adopted by the CPC Central Committee, and the specific measures concerned adopted by the regional party committee; and thus ensure the smooth progress of the economic improvement and rectification operation and in-depth reform. For the moment the most important thing is stability. All people within and without the party should unite as one and act in unison. We must carry on the operation to comb and straighten out the ranks, steadfastly wage the struggle to uphold the four cardinal principles, and to oppose bourgeois liberalization and "peaceful evolution." We must further step up the comprehensive operation to straighten out social disorder, resolutely crack down on all kinds of criminal offences, carry on the struggle against the "six vices" in depth, and safeguard a good social order. We must enhance the party spirit, strictly enforce discipline, resolutely oppose decentralization, resolutely eliminate corruption, make unremitting efforts to develop a clean and honest government, and cultivate a good party style. We must uphold the mass line and strengthen ideological and political work. At present, we must extensively and conscientiously publicize the spirit of the 5th Plenary Session of the 13th CPC Central Committee among the masses; tell them the truth about the economic situation in the country and in the region, the existing difficulties and problems, the favorable conditions and the methods we have on hand to overcome all the difficulties, and the future prospects; give full play to the masses' initiative and originality, arouse their national pride and confidence, raise their morale, and inspire them to overcome difficulties and strive for victory in the economic improvement and rectification operation and in-depth reform.

Qinghai Secretary Urges Grass-Roots Campaign

HK2302072790 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 21 Feb 90

[Excerpts] Yesterday morning, the Qinghai Provincial CPC Committee and the Qinghai Provincial People's

Government jointly held a mobilization meeting attended by cadres and party members of provincial party and government organs to call on all cadres and party members of provincial party and government organs to go deep into the grass-roots level to popularize and develop the fine traditions of the CPC.

The meeting demanded that cadres and party members of provincial party and government organs conscientiously implement to the letter the spirit of the circular of the central authorities on sending cadres to the grass-roots level. [passage omitted]

Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, delivered a speech at the meeting.

Comrade Yin Kesheng said that at a time when the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform has entered a crucial stage, Qinghai is facing an arduous task. In 1990, it must strive to accomplish the following two main tasks: (1) Maintaining political stability; (2) realizing a sustained, steady, and coordinated development of Qinghai's national economy. In order to accomplish these two main tasks, it is necessary to rely on the broad masses of the people, fully comprehend the great importance of sending party and government cadres to the grass-roots level, and adhere to the party's mass line. Leaders of party and government organs at all levels must set a fine example in this regard and take the lead in going to the grass-roots level. Organization and personnel departments at all levels should make a timely appraisal of all cadres and party members sent to work at the grass-roots level. Accordingly, all cadres and party members dispatched to work at the grass-roots level must strictly observe party and government discipline, adhere to and develop the fine traditions of the CPC, and forge closer ties with the people at the grass-roots level. [passage omitted]

Bian Yaowu, member of the Standing Committee of the Qinghai Provincial CPC Committee and concurrently vice governor of Qinghai Province, also delivered a speech at the meeting.

Tian Chengping, deputy secretary of the Qinghai Provincial CPC Committee, and some other provincial party and government leaders also attended the meeting. [passage omitted]

Qinghai Secretary on Financial Departments' Role

*HK2302044790 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 20 Feb 90*

[Text] At the Qinghai Provincial Conference of Bank Presidents, which was convened yesterday, Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, stressed that in order to further stabilize Qinghai's economy, it is necessary to give full scope to the regulation and control role played by financial institutions at all levels.

Comrade Yin Kesheng pointed out that during the current campaign aimed at improving the economic environment and rectifying the economic order, financial departments and institutions at all levels should make every possible endeavor to boost the development of industrial and agricultural production, maintain overall stability, and play their regulation and control role in a timely and proper manner. He said that at present, Qinghai's national economy is beset with problems. Therefore, the overriding task at present is to maintain overall stability. Financial departments and institutions at all levels must not only guarantee the provision of funds to big and medium-sized enterprises but also actively provide financial support to all profit-making small and medium-sized enterprises as well as profit-making township and town enterprises in light of realities. They should also give support to those enterprises whose production and operation have been temporarily partly suspended.

He pointed out that at a time when the market is weak and enterprises are facing a multiplicity of difficulties, financial departments and institutions at all levels should, on the one hand, actively help enterprises tap their latent potentialities, and, on the other hand, rationally readjust their credit and loan structure and perfect their loan orientation. They should mainly provide loans to agriculture, animal husbandry, energy and communications enterprises, and various types of raw material and infrastructural industries.

Comrade Yin Kesheng fully affirmed the work done by the financial departments and institutions at all levels over the past few years and hoped that the broad masses of cadres and workers engaged in financial and banking work will make greater contributions to Qinghai's economic development in 1990.

Bian Yaowu, member of the Standing Committee of the Qinghai Provincial CPC Committee and concurrently vice governor of Qinghai Province, also delivered a speech at yesterday's conference.

Qinghai Secretary at Agricultural Conference

*HK2302031390 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 19 Feb 90*

[Excerpt] The Qinghai Provincial Conference on Specialized Operation of Agriculture-Oriented Goods and Materials was convened in Xining this morning.

Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, attended and delivered a speech at the conference.

In his speech, Comrade Yin Kesheng called on all the departments concerned to actively play their respective roles, brace up, strengthen confidence, and make greater contributions to the further development of Qinghai's grain production.

Comrade Yin Kesheng also spoke highly of the important contributions made by all comrades engaged in the supply and marketing of agriculture-oriented goods and materials and expressed the hope that the supply and marketing cooperatives at all levels in Qinghai will continue to carry out specialized operation and further improve the supply of agriculture-oriented goods and materials in a down-to-earth manner. [passage omitted]

Hong Kong

RENMIN RIBAO Carries Draft Basic Law

HK2202060790 Beijing RENMIN RIBAO in Chinese
18 Feb 90 pp 1-3

["The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Draft) (Adopted by the 9th Plenary Session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region on 16 February 1990)"]

[Text] Preamble

Hong Kong has been a part of China's territory since ancient times, but it was occupied by Britain after the Opium War in 1840. On 19 December 1984, the Chinese and British Governments signed the Joint Declaration on the Question of Hong Kong, affirming that the Government of the People's Republic of China [PRC] will resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997, thus fulfilling the long-cherished common aspiration of the entire Chinese people for the recovery of Hong Kong.

In order to uphold national unity and territorial integrity and to maintain Hong Kong's prosperity and stability, and taking account of the history of Hong Kong and its realities, the PRC has decided that upon China's resumption of the exercise of sovereignty over Hong Kong, a Hong Kong Special Administrative Region will be established in accordance with provisions of Article 31 of the Constitution of the PRC and that under the principle of "one country, two systems," the socialist system and policies will not be practiced in Hong Kong. The basic policies of the PRC regarding Hong Kong have been elaborated by the Chinese Government in the Sino-British Joint Declaration.

In accordance with the Constitution of the PRC, the National People's Congress [NPC] hereby enacts the Basic Law of the Hong Kong Special Administrative Region of the PRC, prescribing the systems to be practiced in the Hong Kong Special Administrative Region in order to ensure the implementation of the basic policies of the PRC regarding Hong Kong.

Chapter I. General Principles

Article 1 The Hong Kong Special Administrative Region is an alienable part of the PRC.

Article 2 The NPC authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative, and independent judicial power, including that of final adjudication, in accordance with the provisions of this law.

Article 3 The executive authorities and legislature of the Hong Kong Special Administrative Region shall be composed of permanent residents of Hong Kong in accordance with the relevant provisions of this law.

Article 4 The Hong Kong Special Administrative Region shall safeguard the rights and freedoms of the residents and other persons in the region in accordance with law.

Article 5 The socialist system and policies shall not be practiced in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years.

Article 6 The Hong Kong Special Administrative Region shall protect the right of private ownership of property in accordance with law.

Article 7 The land and natural resources within the Hong Kong Special Administrative Region shall be the state property of the PRC. The Government of the Hong Kong Special Administrative Region shall be responsible for their management, use, and development and for their lease or grant to individuals, legal persons, or organizations for use or development. The revenues derived shall be exclusively at the disposal of the Government of the Hong Kong Special Administrative Region.

Article 8 The law previously in force in Hong Kong, that is, the common law; rules of equity; ordinances; subordinate legislation; and customary law shall be maintained, except for those that are inconsistent with the law or have been amended by the legislature of the Hong Kong Special Administrative Region.

Article 9 In addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature, and judicial organs of the Hong Kong Special Administrative Region.

Article 10 Apart from displaying the national flag and national emblem of the PRC, the Hong Kong Special Administrative Region may also use a regional flag and regional emblem.

The regional flag of the Hong Kong Special Administrative Region is a red flag with a bauhinia having a five-star pistil.

The regional emblem of the Hong Kong Special Administrative Region has a bauhinia having a five-star pistil at the center, surrounded by the characters "Hong Kong Special Administrative Region of the People's Republic of China" and the words "Hong Kong" in English.

Article 11 In accordance with Article 31 of the Constitution of the PRC, the systems and policies practiced in the Hong Kong Special Administrative Region—including the social and economic systems—and the system for safeguarding the fundamental rights and freedoms of its residents; the executive, legislative and judicial systems; and the relevant policies shall be based on the provisions of this Law.

No law enacted by the legislature of the Hong Kong Special Administrative Region shall be inconsistent with this law.

Chapter II. Relationship between the central authorities and the Hong Kong Special Administrative Region

Article 12 The Hong Kong Special Administrative Region shall be a local administrative region of the PRC which shall enjoy a high degree of autonomy and come directly under the central people's government.

Article 13 The Central People's Government shall be responsible for foreign affairs relating to the Hong Kong Special Administrative Region.

The Ministry of Foreign Affairs of the PRC shall establish an office in Hong Kong to deal with foreign affairs.

The Central People's Government shall authorize the Hong Kong Special Administrative Region to deal with relevant external affairs on its own in accordance with this law.

Article 14 The Central People's Government shall be responsible for the defense affairs relating to the Hong Kong Special Administrative Region.

The Government of the Hong Kong Special Administrative Region shall be responsible for the maintenance of the public order of the Hong Kong Special Administrative Region.

Military forces sent by the Central People's Government to be stationed in the Hong Kong Special Administrative Region for defense shall not interfere in the local affairs of the Hong Kong Special Administrative Region.

The Government of the Hong Kong Special Administrative Region may, in times of need, asked the Central People's Government for assistance from the garrison in the maintenance of public order and in disaster relief.

In addition to abiding by the national laws, members of the garrison shall abide by the laws of the Hong Kong Special Administrative Region.

Expenditure for the garrison shall be borne by central people's government.

Article 15 The central people's government shall appoint the chief executive and the principal officials of the executive authorities of the Hong Kong Special Administrative Region in accordance with the provisions of Chapter IV of this law.

Article 16 The Hong Kong Special Administrative Region shall be vested with executive power. In accordance with the relevant provisions of this law, it shall, on its own, manage the administrative affairs of the Hong Kong Special Administrative Region.

Article 17 The Hong Kong Special Administrative Region shall be vested with legislative power.

Laws enacted by the legislature of the Hong Kong Special Administrative Region shall be reported to the Standing Committee of the NPC for the record. The reporting for the record shall not affect the entry into force of such laws.

If the Standing Committee of the NPC, after consulting its Committee for the Basic Law of the Hong Kong Special Administrative Region, considers that any law enacted by the legislature of the Hong Kong Special Administrative Region is not in conformity with the provisions of this law regarding affairs within the responsibility of the central authorities or the relationship between the central authorities and the Hong Kong Special Administrative Region, it may return the law in question, but it shall not amend it. Any law returned by the Standing Committee of the NPC shall immediately cease to have force. This cessation shall not have a retroactive effect unless otherwise provided for in the laws of the Hong Kong Special Administrative Region.

Article 18 The laws of the Hong Kong Special Administrative Region shall be this law, the laws previously in force in Hong Kong as stipulated in Article 8 of this law, and the laws enacted by the legislature of the Hong Kong Special Administrative Region.

National laws shall not be applied in the Hong Kong Special Administrative Region except for those listed in Annex III to this law. The laws listed in Annex III to this law shall be applied locally in the Hong Kong Special Administrative Region by way of promulgation or legislation.

The Standing Committee of the NPC may make additions to or deletations from the list of laws in Annex III after consulting its Committee for the Basic Law of the Hong Kong Special Administrative Region and the Government of the Hong Kong Special Administrative Region. Laws listed in Annex III to this law shall be confined to those relating to defense and foreign affairs as well as other laws outside the limits of the autonomy of the Hong Kong Special Administrative Region as specified by this law.

In case the Standing Committee of the NPC decides to declare a state of war or, by reason of turmoil within the Hong Kong Special Administrative Region which is beyond the control of the Government of the Hong Kong Special Administrative Region and which endangers national unification or security, decides that the Hong Kong Special Administrative Region is in a state of emergency, the Central People's Government may decree the application of the relevant national laws in the Hong Kong Special Administrative Region.

Article 19 The Hong Kong Special Administrative Region shall be vested with independent judicial power, including that of final adjudication.

Courts of the Hong Kong Special Administrative Region shall have jurisdiction over all cases in the Hong Kong Special Administrative Region, except that the restrictions on their jurisdiction imposed by Hong Kong's previous legal system and principles shall be maintained.

Courts of the Hong Kong Special Administrative Region shall have no jurisdiction over cases related to national defense, diplomacy, and other acts of the state. Courts of the Hong Kong Special Administrative Region shall obtain

a statement from the chief executive on questions concerning national defense, diplomacy, and other facts of the state whenever such questions arise in any legal proceedings. This statement shall be binding on the courts. Before issuing such a statement, the chief executive shall obtain a certificate from the central people's government.

Article 20 The Hong Kong Special Administrative Region may enjoy other powers granted to it by the NPC, the Standing Committee of the NPC, and the central people's government.

Article 21 Chinese citizens who are residents of the Hong Kong Special Administrative Region shall be entitled to participate in state affairs in accordance with law.

In accordance with the assigned number of seats and the election method specified by the NPC, Chinese citizens among the residents of the Hong Kong Special Administrative Region shall locally elect deputies of the Hong Kong Special Administrative Region to the NPC to participate in the work of the highest organ of state power.

Article 22 Departments of the central people's government as well as provinces, autonomous regions, and municipalities shall not interfere in the affairs which the Hong Kong Special Administrative Region administers to on its own in accordance with this law.

If there is a need for departments of the central people's government as well as provinces, autonomous regions, and municipalities to set up offices in the Hong Kong Special Administrative Region, they must have the consent of the Government of the Hong Kong Special Administrative Region and the approval of the central people's government.

All offices set up in the Hong Kong Special Administrative Region by the departments of the central people's government or by provinces, autonomous regions, and municipalities and the personnel of these offices shall abide by the laws of the Hong Kong Special Administrative Region.

People from other parts of China must apply for approval for entry into the Hong Kong Special Administrative Region. The number of people allowed to take up residence in the Hong Kong Special Administrative Region shall be determined by the competent departments of the central people's government after soliciting the opinions of the Government of the Hong Kong Special Administrative Region.

The Hong Kong Special Administrative Region may establish an office in Beijing.

Article 23 The Hong Kong Special Administrative Region shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion of the central people's government, and theft of state secrets; prohibit foreign political organizations or groups from carrying out political activities in the Hong Kong Special Administrative Region; and prohibit political organizations and groups in

the Hong Kong Special Administrative Region from establishing contacts with foreign political organizations or groups.

Chapter III. Fundamental Rights and Duties of the Residents

Article 24 Residents of the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong residents") shall include permanent residents and non-permanent residents.

The permanent residents of the Hong Kong Special Administrative Region shall be:

1. Chinese citizens born in Hong Kong before or after the establishment of the Hong Kong Special Administrative Region;
2. Chinese citizens who have ordinarily resided in Hong Kong for a continuous period of no less than seven years before or after the establishment of the Hong Kong Special Administrative Region;
3. Persons of Chinese nationality born outside Hong Kong to those residents listed in categories 1 and 2;
4. Persons who are not of Chinese nationality but who have entered Hong Kong on a valid travel document, who have ordinarily resided in Hong Kong for a continuous period of no less than seven years, and who have taken Hong Kong as their place of permanent residence before or after the establishment of the Hong Kong Special Administrative Region;
5. Persons under 21 years of age born in Hong Kong to residents listed in category 4 before or after the establishment of the Hong Kong Special Administrative Region; and
6. Persons other than those residents listed in categories 1 to 5 who had the right of abode only in Hong Kong before the establishment of the Hong Kong Special Administrative Region.

The above-mentioned residents shall have the right of abode in the Hong Kong Special Administrative Region and shall be qualified to obtain, in accordance with its law, permanent identity cards which state their right of abode.

The nonpermanent residents of the Hong Kong Special Administrative Region shall be persons who, in accordance with its law, shall be qualified to obtain Hong Kong identity cards but shall have no right of abode.

Article 25 All Hong Kong residents shall be equal before the law.

Article 26 Permanent residents of the Hong Kong Special Administrative Region shall have the right to vote and the right to stand for election in accordance with law.

Article 27 Hong Kong residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of procession, and of demonstration; and the right and freedom to form and join trade union and to go on strike.

Article 28 The freedom of person of Hong Kong residents shall be inviolable.

No Hong Kong resident shall be arbitrarily or unlawfully arrested, detained, or imprisoned. Arbitrary or unlawful search of the body of any resident or the deprivation or restriction of his/her freedom of person shall be prohibited. The torture of any resident or the arbitrary or unlawful deprivation of his/her life shall be prohibited.

Article 29 The homes and other premises of Hong Kong residents shall be inviolable. Arbitrary or unlawful search of, or intrusion into, a resident's home or other premises shall be prohibited.

Article 30 The freedom and privacy of communication of Hong Kong residents shall be protected by law. No department or individual may on any grounds infringe upon the residents' freedom and privacy of communication, with the exception that the relevant authorities may censor communication in accordance with legal procedures to meet the needs of public security or of investigation into criminal offenses.

Article 31 Hong Kong residents shall have freedom of movement within the Hong Kong Special Administrative Region and freedom of emigration to other countries and regions. They shall have freedom to travel and freedom of entry and exit. Unless restrained by law, the bearers of valid travel documents shall be free to leave the Hong Kong Special Administrative Region without special authorization.

Article 32 Hong Kong residents shall have freedom of faith.

Hong Kong residents shall have the freedom of religious belief and the freedom to preach and to carry out and participate in religious activities in public.

Article 33 Hong Kong residents shall have freedom of choice with regards to occupation.

Article 34 Hong Kong residents shall have freedom of academic research, of literary and artistic creation, and of other cultural pursuits.

Article 35 Hong Kong residents shall have the right to confidential legal advice; access to the courts; the choice of lawyers for timely protection of their legitimate rights and interests and for representation in the courts; and the right to judicial remedies.

Hong Kong residents shall have the right to institute legal proceedings in the courts against the actions of the executive organs or their personnel.

Article 36 Hong Kong residents shall have the right to social welfare as prescribed by law. The welfare benefits and retirement insurance of the labor force shall be protected by law.

Article 37 The freedom of marriage of Hong Kong residents and their right to raise a family freely shall be protected by law.

Article 38 Hong Kong residents shall enjoy the other rights and freedoms safeguarded by the laws of the Hong Kong Special Administrative Region.

Article 39 The "Provisions of the International Covenant on Civil and Political Rights"; the "International Covenant on Economic, Social and Cultural Rights"; and international labor conventions as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region.

The rights and freedoms enjoyed by Hong Kong residents shall not be restricted unless prescribed by law. Such restrictions shall not contravene the provisions of the preceding paragraph of this article.

Article 40 The legitimate traditional rights and interests of the indigenous inhabitants of the New Territories shall be protected by the Hong Kong Special Administrative Region.

Article 41 Persons in the Hong Kong Special Administrative Region other than Hong Kong residents shall, in accordance with law, enjoy the rights and freedoms of Hong Kong residents prescribed in this chapter.

Article 42 Hong Kong residents and other persons in Hong Kong shall have the obligation to abide by the laws in force in the Hong Kong Special Administrative Region.

Chapter IV. Political Structure

Section I The Chief Executive

Article 43 The chief executive of the Hong Kong Special Administrative Region shall be the head of the Hong Kong Special Administrative Region and shall represent the region.

The chief executive of the Hong Kong Special Administrative Region shall be accountable to the central people's government and the Hong Kong Special Administrative Region in accordance with the provisions of this law.

Article 44 The chief executive of the Hong Kong Special Administrative Region shall be a Chinese citizen of no less than 40 years of age who is a permanent resident of the region, does not have the right of residence in any foreign country, and has ordinarily resided in Hong Kong for a continuous period of 20 years.

Article 45 The chief executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the central people's government.

The method for selecting the chief executive shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The

ultimate aim shall be the general election of the chief executive nominated by a nominating committee with a broad representation according to democratic procedures.

The specific method for selecting the chief executive is prescribed in Annex I: "Method for the Selection of the Chief Executive of the Hong Kong Special Administrative Region."

Article 46 The term of office of the chief executive of the Hong Kong Special Administrative Region shall be five years. He or she may serve for no more than two consecutive terms.

Article 47 The chief executive of the Hong Kong Special Administrative Region must be a person of integrity, dedicated to his or her duties.

The chief executive, on assuming office, shall declare his or her assets to the chief justice of the Court of Final Appeal of the Hong Kong Special Administrative Region. This declaration shall be put on record.

Article 48 The chief executive of the Hong Kong Special Administrative Region shall exercise the following powers and functions:

- (1) To lead the government of the region;
- (2) To be responsible for the implementation of this law and other laws which, in accordance with this law, apply in the Hong Kong Special Administrative Region;
- (3) To sign bills passed by the Legislative Council and to promulgate laws; and to sign appropriations bills passed by the Legislative Council and report the budget and final accounts to the central people's government for the record;
- (4) To decide on government policies and to issue executive orders;
- (5) To nominate and to report to the central people's government for appointment the following principal officials: secretaries and deputy secretaries of departments, directors of bureaus, commissioner against corruption, director of the Commission of Audit, head of the Police Division, head of the Entry Affairs Division, and director of Customs; and to propose to the central people's government the removal of the above-mentioned officials;
- (6) To appoint or remove judges of the courts at all levels in accordance with legal procedures;
- (7) To appoint or remove public office bearers in accordance with level procedures;
- (8) To implement the directives issued by the central people's government with respect to the relevant matters provided for in this law;
- (9) To deal with external affairs and other affairs on behalf of the Government of the Hong Kong Special Administrative Region as authorized by the central authorities;
- (10) To approve the introduction of motions regarding revenues or expenditures to the Legislative Council;
- (11) To decide, in light of security and vital public interests, whether government officials or other personnel in

charge of government affairs should testify or give evidence before the Legislative Council or its committees;

(12) To pardon persons convicted of criminal offenses or to commute their sentences; and

(13) To handle petitions and complaints.

Article 49 If the chief executive considers that a bill passed by the Legislative Council is not compatible with the overall interests of the Hong Kong Special Administrative Region, he or she may return it to the Legislative Council within three months for reconsideration. If the Legislative Council passes the original bill again by no less than a two-thirds majority, the chief executive must sign and promulgate it within one month or act in accordance with the provisions of Article 50 of this law.

Article 50 If the chief executive refuses to sign the bill passed by the Legislative Council for a second time, or the Legislative Council refuses to pass an appropriation bill or any other important bill introduced by the government, and if a consensus still cannot be reached after consultations, the chief executive may dissolve the Legislative Council.

The chief executive shall consult the Executive Council before dissolving the Legislative Council. The chief executive may dissolve the Legislative Council only once in each term of his or her office.

Article 51 If the Legislative Council refuses to pass an appropriations bill introduced by the government, the chief executive may apply to the Legislative Council for temporary appropriations. If appropriation of public funds cannot be approved because the Legislative Council has already been dissolved, the chief executive may approve temporary short-term appropriations according to the level of the previous fiscal year's expenditure prior to the election of the new Legislative Council.

Article 52 The chief executive must resign under any of the following circumstances:

- (1) If he or she loses the ability to discharge the functions of his or her office due to serious illness or other reasons;
- (2) If the Legislative Council has been dissolved because the chief executive twice refused to sign a bill it passed and the new Legislative Council has passed by a two-thirds majority the original bill in dispute, but the chief executive still refuses to sign it; or
- (3) If, after the Legislative Council has been dissolved because it refused to approve an appropriations bill or any other important bill, the new Legislative Council still refuses to pass the original bill in dispute.

Article 53 If the chief executive of the Hong Kong Special Administrative Region is not able to discharge his or her duties for a brief period, such duties shall temporarily be assumed by the Administrative Secretary, Financial Secretary, or Secretary of Justice, in this order.

In the event that the Office of Chief Executive becomes vacant, a new chief executive shall be selected within six months in accordance with provisions of Article 45 of

this law. During the period of vacancy, his or her duties shall be assumed according to the provisions of the preceding paragraph.

Article 54 The Executive Council of the Hong Kong Special Administrative Region shall be an organ for assisting the chief executive in making policy.

Article 55 Members of the Executive Council of the Hong Kong Special Administrative Region shall be appointed by the chief executive from among the principal officials of the executive authorities, members of the Legislative Council, and public figures. Their appointment or removal shall be decided by the chief executive. The term of office of members shall not exceed that of the chief executive who appoints them.

Members of the Executive Council of the Hong Kong Special Administrative Region shall be Chinese citizens who are permanent residents of the region and who do not have the right of residence in any foreign country.

The chief executive may invite other persons concerned to sit in on meetings of the council as he or she deems necessary.

Article 56 The Executive Council of the Hong Kong Special Administrative Region shall be presided over by the chief executive.

Except for the appointment, removal, or disciplining of officials and the adoption of measures in emergencies, the chief executive shall consult the Executive Council before making important policy decisions, introducing a bill to the Legislative Council, enacting subsidiary legislation, or dissolving the Legislative Council.

If the chief executive does not adopt a majority opinion of the Executive Council, he or she shall put his or her specific reasons on record.

Article 57 A Commission Against Corruption shall be established in the Hong Kong Special Administrative Region. It shall function independently and be accountable to the chief executive.

Article 58 An Audit Commission shall be established in the Hong Kong Special Administrative Region. It shall function independently and be accountable to the chief executive.

Section II The Executive Authorities

Article 59 The Government of the Hong Kong Special Administrative Region shall be the executive authorities of the region.

Article 60 The head of the Government of the Hong Kong Special Administrative Region shall be the chief executive of the region.

The Department of Administration, Department of Finance, Department of Justice, bureaus, divisions, and commissions shall be established in the Government of the Hong Kong Special Administrative Region.

Article 61 The principal officials of the Hong Kong Special Administrative Region shall be Chinese citizens who do not have the right of residence in any foreign country, who are permanent residents, and who have ordinarily resided in Hong Kong for a continuous period of 15 years.

Article 62 The Government of the Hong Kong Special Administrative Region shall exercise the following powers and functions:

- (1) Formulating and implementing policies;
- (2) Managing administrative affairs;
- (3) Managing the external affairs authorized by the central people's government under this law;
- (4) Drawing up and introducing budgets and final accounts;
- (5) Drafting and introducing bills, motions, and subsidiary legislation; and
- (6) Designating officials to sit in at the meetings of the Legislative Council and speak on behalf of the government.

Article 63 The Department of Justice of the Hong Kong Special Administrative Region shall be the authority handling criminal prosecutions free from any interference.

Article 64 The Government of the Hong Kong Special Administration Region must abide by the law and shall be accountable to the Legislative Council of the region in the following areas: implementing laws passed by the council and already in force; presenting regular reports on its work to the council; answering questions raised by members of the council; and obtaining approval from the council for taxation and public expenditure.

Article 65 The previous system of establishing advisory bodies by the executive authorities shall be maintained.

Section III The Legislature

Article 66 The Legislative Council of the Hong Kong Special Administrative Region shall be the legislature of the region.

Article 67 The Legislative Council of the Hong Kong Special Administrative Region shall be composed of Chinese citizens who are permanent residents of the region and who do not have the right of residence in any foreign country. Permanent residents of the region who are not Chinese citizens, or who have the right of residence in a foreign country, may also be elected members of the Legislative Council; however, such members should not exceed 20 percent of the total members of the Legislative Council.

Article 68 The Legislative Council of the Hong Kong Special Administrative Region shall be decided by election.

The method for forming the Legislative Council shall be specified in light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The

ultimate aim shall be the selection of all the members of the Legislative Council through general election.

The specific method for forming the Legislative Council and the voting procedures for bills and motions are prescribed in Annex II: "Method for the Formation of the Legislative Council of the Hong Kong Special Administrative Region and Voting Procedures."

Article 69 The term of office of the Legislative Council of the Hong Kong Special Administrative Region shall be four years, except the first term, which shall be two years.

Article 70 If the Legislative Council of the Hong Kong Special Administrative Region is dissolved by the chief executive in accordance with the provisions of this law, it shall be reconstituted by election within three months as prescribed by Article 68 of this law.

Article 71 The chairman of the Legislative Council of the Hong Kong Special Administrative Region shall be elected from among the members of the Legislative Council.

The chairman of the Legislative Council of the Hong Kong Special Administrative Region shall be a Chinese citizen no less than 40 years of age, who does not have the right of residence in any foreign country, who is a permanent resident of the region, and who has ordinarily resided in Hong Kong for a continuous period of 20 years.

Article 72 The chairman of the Legislative Council of the Hong Kong Special Administrative Region shall exercise the following powers and functions:

- (1) Presiding over meetings;
- (2) Deciding on the agenda, giving priority to bills introduced by the government for inclusion on the agenda;
- (3) Deciding on the time of meetings;
- (4) Calling special meetings during the recess;
- (5) Calling emergency meetings at the request of the chief executive;
- (6) Other powers and functions as prescribed in the rules of procedure of the Legislative Council.

Article 73 The Legislative Council of the Hong Kong Special Administrative Region shall exercise the following powers and functions:

- (1) Enacting, amending, or repealing laws in accordance with the provisions of this law and legal procedures;
- (2) Examining and approving budgets submitted by the government;
- (3) Approving taxation and public expenditure;
- (4) Hearing and debating the policy addresses of the chief executive;
- (5) Raising questions on the work of the government;
- (6) Holding debates on any issue concerning public interests;
- (7) Endorsing the appointments and removals of the judges of the Court of Final Appeal and the chief judge of the High Court;
- (8) Receiving and dealing with complaints from Hong Kong residents;

(9) If a motion initiated jointly by one-fourth of the members of the Legislative Council accuses the chief executive of a serious breach of the law or a dereliction of duty, and if he or she still refuses to resign, the council may give a mandate to the chief justice of the Court of Final Appeal to form and chair an independent investigating committee after passing a motion for investigation. The committee shall be responsible for carrying out the investigation and reporting its findings to the council. If the committee considers the evidence sufficient, the council may pass a motion of impeachment by a two-thirds majority and report it to the central people's government for a decision; and

(10) Summoning the persons concerned to testify or give evidence as required when exercising the above powers and functions.

Article 74 Members of the Legislative Council of the Hong Kong Special Administrative Region may introduce bills in accordance with the provisions of this law and legal procedures. Bills which do not relate to public expenditure or the structure and operation of the government may be introduced individually or jointly by members of the council. Written consent of the chief executive shall be required before bills relating to government policies are introduced.

Article 75 The quorum for the meeting of the Legislative Council of the Hong Kong Special Administrative Region shall be no less than one-half of its members.

The rules of procedure for the Legislative Council shall be established by the council on its own, but they shall not be inconsistent with this law.

Article 76 A bill passed by the Legislative Council of the Hong Kong Special Administrative Region shall take effect only after it is signed and promulgated by the chief executive.

Article 77 Members of the Legislative Council of the Hong Kong Special Administrative Region shall not be legally liable for speeches made at meetings of the council.

Article 78 Members of the Legislative Council of the Hong Kong Special Administrative Region shall not be subject to arrest when attending or on their way to a meeting of the Legislative Council.

Article 79 The chairman of the Legislative Council shall declare that a member of the council is no longer qualified for the office under any of the following circumstances:

- (1) When he or she loses the ability to discharge the functions of his or her office due to serious illness or other reasons;
- (2) When he or she, with no valid reason, is absent from meetings for three consecutive months without the consent of the chairman of the Legislative Council;
- (3) When he or she loses or renounces his or her status as a permanent resident of the Hong Kong Special Administrative Region;

- (4) When he or she accepts a government appointment and joins the public service;
- (5) When he or she is bankrupt or fails to comply with a court order to repay debts;
- (6) When he or she is convicted and sentenced to imprisonment for one month or more for a criminal offense committed within or outside the Hong Kong Special Administrative Region and is relieved of his or her duties by a motion passed by two-thirds of the members of the Legislative Council present; or
- (7) When he or she is censured for misbehavior or breach of oath by a vote of two-thirds of the members of the Legislative Council present.

Section IV Judicial Organs

Article 80 The courts of the Hong Kong Special Administrative Region at all levels shall be the judicial organs of the region, exercising the judicial power of the region.

Article 81 The Court of Final Appeal, the High Court, district courts, magistrates' courts, and other special courts shall be established in the Hong Kong Special Administrative Region. The High Court shall be comprised of the Court of Appeal and the Court of the First Instance.

The judicial system previously in practice in Hong Kong shall be maintained except for those changes consequent upon the establishment of the court of Final Appeal of the Hong Kong Special Administrative Region.

Article 82 The power of final adjudication of the Hong Kong Special Administrative Region shall be vested in the Court of Final Appeal of the region, which may invite judges from other common law jurisdictions to sit on the Court of Final Appeal as required.

Article 83 The structure, powers, and functions of the courts of the Hong Kong Special Administrative Region at all levels shall be prescribed by law.

Article 84 The courts of the Hong Kong Special Administrative Region shall decide cases in accordance with the laws applicable in the region as prescribed in Article 18 of this law and may refer to precedents of other common law jurisdictions.

Article 85 The courts of the Hong Kong Special Administrative Region shall exercise judicial power independently and free from any interference. Members of the judiciary shall be immune from legal action with respect to their judicial functions.

Article 86 The principle of trial by jury previously practiced in Hong Kong shall be maintained.

Article 87 In criminal or civil proceedings in the Hong Kong Special Administrative Region, the principles previously applied in Hong Kong, and the rights previously enjoyed by the parties to the proceedings shall be maintained.

Anyone who is lawfully arrested shall have the right to a fair trial by the judicial organs without delay and shall be presumed innocent until convicted by the judicial organs.

Article 88 Judges of the courts of the Hong Kong Special Administrative Region shall be appointed by the chief executive on the recommendation of an independent commission composed of local judges, persons from the legal profession, and other eminent persons.

Article 89 A judge of a court of the Hong Kong Special Administrative Region may be removed by the Chief Executive only for the inability to discharge the functions of his or her office or for misbehavior on the recommendation of a tribunal appointed by the chief justice of the Court of Final Appeal and consisting of no fewer than three local judges.

The chief justice of the Court of Final Appeal of the Hong Kong Special Administrative Region may be investigated by a tribunal appointed by the chief executive and consisting of no fewer than five local judges only for the inability to discharge the functions of his or her office or for misbehavior. The chief justice of the Court of Final Appeal may be removed by the Chief Executive on the recommendation of the tribunal and in accordance with the procedures prescribed in this law.

Article 90 The chief justice of the Court of Final Appeal and the chief judge of the High Court of the Hong Kong Special Administrative Region shall be Chinese citizens who are permanent residents of the region and have no right of abode in foreign countries.

In addition to the procedures prescribed in Articles 88 and 89 of this law, the appointment and removal of judges of the Court of Final Appeal and the chief judge of the High Court of the Hong Kong Special Administrative Region shall be made by the chief executive with the endorsement of the Legislative Council of the region and shall be reported to the Standing Committee of the NPC for the record.

Article 91 The Hong Kong Special Administrative Region shall maintain the previous system of appointment and removal of members of the judiciary other than judges.

Article 92 Judges and other members of the judiciary of the Hong Kong Special Administrative Region shall be chosen by reference to their judicial and professional qualities and may be recruited from other common law jurisdictions.

Article 93 Judges and other members of the judiciary serving in Hong Kong before the establishment of the Hong Kong Special Administrative Region may all remain in employment and retain their seniority with pay, allowances, benefits, and conditions of service no less favorable than before.

The Government of the Hong Kong Special Administrative Region shall pay to judges and other members of the

judiciary who retire or leave the service in compliance with regulations, as well as to those who have retired or left the service before the establishment of the Hong Kong Special Administrative Region or to their dependents, all pensions, gratuities, allowances, and benefits due to them on terms no less favorable than before and irrespective of their nationality or place of residence.

Article 94 On the basis of the system previously operating in Hong Kong, the Government of the Hong Kong Special Administrative Region may make provisions for local lawyers and lawyers from outside Hong Kong to work and practice in the region.

Article 95 The Hong Kong Special Administrative Region may, through consultation and in accordance with law, maintain judicial relations with the judicial organs of other parts of the country, and they may render assistance to each other.

Article 96 With the assistance or authorization of the central people's government, the Government of the Hong Kong Special Administrative Region may make appropriate arrangements with foreign states for reciprocal judicial assistance.

Section V District Organizations

Article 97 District organizations which are not organs of political power may be established in the Hong Kong Special Administrative Region, to be consulted by the government of the region on district administration and other affairs, or to be responsible for providing services in such fields as culture, recreation, and environmental sanitation.

Article 98 The powers and functions of the district organizations and their composition shall be prescribed by law.

Section VI Public Servants

Article 99 Public servants serving in all government departments of the Hong Kong Special Administrative Region must be permanent residents of the region except where otherwise provided for in Article 101 regarding public servants of foreign nationalities in this law and except for those below a certain rank as prescribed by law.

Public servants must be dedicated to their duties and be responsible to the Government of the Hong Kong Special Administrative Region.

Article 100 Public servants serving in all Hong Kong Government departments, including the police department, before the establishment of the Hong Kong Special Administrative Region may all remain in employment and retain their seniority with pay, allowances, benefits, and conditions of service no less favorable than before.

Article 101 The Government of the Hong Kong Special Administrative Region may employ British and other foreign nationals previously in Hong Kong public service or those holding permanent identity cards of the region to

serve as public servants at all levels, but only Chinese citizens among permanent residents of the region who have no right of abode in foreign countries may fill the following posts: the secretaries and deputy secretaries of departments, directors of bureaus, Commissioner Against Corruption, Director of Audit, Commissioner of Police, Director of Immigration, and Commissioner of Customs.

The Government of the Hong Kong Special Administrative Region may also employ British and other foreign nationals as advisors to government departments and, when required, may recruit qualified candidates from outside the region to professional and technical posts in government departments. These foreign nationals shall be employed only in their individual capacities and shall be responsible to the government of the region.

Article 102 The Government of the Hong Kong Special Administrative Region shall pay to public servants who retire or leave the service in compliance with regulations as well as to those who have retired or left the service in compliance with regulations before the establishment of the Hong Kong Special Administrative Region, or to their dependents, all pension, gratuities, allowances, and benefits due to them on terms no less favorable than before and irrespective of their nationality or place of residence.

Article 103 The appointment and promotion of public servants shall be on the basis of their qualifications, experience, and ability. Hong Kong's previous system of recruitment, employment, assessment, discipline, training, and management for public service—including special bodies for their appointment, pay, and conditions of service—shall be maintained, except for any provisions for privileged treatment of foreign nationals.

Article 104 The chief executive, principal officials, members of the Executive Council and of the Legislative Council, judges of courts at all levels, and other members of the judiciary in the Hong Kong Special Administrative Region must be sworn in according to law when assuming office to pledge support of the Basic Law of the Hong Kong Special Administrative Region of the PRC and loyalty to the Hong Kong Special Administrative Region of the PRC.

Chapter V. Economy

Section I Public Finance, Monetary Affairs, Trade, Industry and Commerce

Article 105 The Hong Kong Special Administrative Region shall, in accordance with law, protect the right of individuals and legal persons to the acquisition, use, disposal, and inheritance of private property and their right to compensation for lawful deprivation of their property.

Such compensation shall correspond to the real value of the property concerned and shall be freely convertible and paid without undue delay.

The ownership of enterprises and investments from outside the region shall be protected by law.

Article 106 The Hong Kong Special Administrative Region shall have independent finances.

The Hong Kong Special Administrative Region shall use its financial revenues exclusively for its own purposes and they shall not be handed over to the central people's government.

The central people's government shall not levy taxes in the Hong Kong Special Administrative Region.

Article 107 The Hong Kong Special Administrative Region shall follow the principle of keeping expenditures within the limits of revenues in drawing up its budget, strive for a fiscal balance, avoid deficits, and ensure that the budget is commensurate with the growth rate of its gross domestic product.

Article 108 The Hong Kong Special Administrative Region shall practice an independent taxation system.

The Hong Kong Special Administrative Region shall, taking the low tax policy previously pursued in Hong Kong as a reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, exemptions, and other matters of taxation.

Article 109 The Government of the Hong Kong Special Administrative Region shall create an appropriate economic and legal environment for the maintenance of the status of Hong Kong as an international financial center.

Article 110 The monetary and financial systems of the Hong Kong Special Administrative Region shall be prescribed by law. The Government of the Hong Kong Special Administrative Region shall, on its own, formulate monetary and financial policies, safeguard the free operation of financial business and the financial market, and regulate and supervise them in accordance with law.

Article 111 The Hong Kong dollar, as the legal tender in the Hong Kong Special Administrative Region, shall continue to circulate.

The authority to issue Hong Kong currency shall be vested in the Government of the Hong Kong Special Administrative Region. The issue of Hong Kong currency must be backed by a 100 percent reserve fund. The system regarding the issue of Hong Kong currency and the reserve fund system shall be prescribed by law.

The Government of the Hong Kong Special Administrative Region may authorize designated banks to issue or continue to issue Hong Kong currency under statutory authority after satisfying itself that any issue of currency will be soundly based and that the arrangements for such issue are consistent with the object of maintaining the stability of the currency.

Article 112 No foreign exchange control policies shall be applied in the Hong Kong Special Administrative Region. The Hong Kong dollar shall be freely convertible.

Markets for foreign exchange, gold, securities, and futures shall continue.

The Government of the Hong Kong Special Administrative Region shall safeguard the free flow of all capital within, into, and out of the region.

Article 113 The Exchange Fund of the Hong Kong Special Administrative Region shall be managed and controlled by the government of the region, primarily for regulating the exchange value of the Hong Kong dollar.

Article 114 The Hong Kong Special Administrative Region shall maintain the status of a free port and shall not impose any tariff unless otherwise prescribed by law.

Article 115 The Hong Kong Special Administrative Region shall pursue the policy of free trade and safeguard the free movement of goods, intangible assets, and capital.

Article 116 The Hong Kong Special Administrative Region shall be a separate customs territory.

The Hong Kong Special Administrative Region may, using the name "Hong Kong, China," participate in relevant international organizations and international trade agreements, including preferential trade arrangements such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles.

Export quotas, tariff preferences, and other similar arrangements, which are obtained by the Hong Kong Special Administrative Region or which were obtained and remained valid, shall be enjoyed exclusively by the region.

Article 117 The Hong Kong Special Administrative Region may issue its own certificates of origin for products in accordance with prevailing rules of origin.

Article 118 The Government of the Hong Kong Special Administrative Region shall create an economic and legal environment for encouraging investments, technological progress, and the development of new industries.

Article 119 The Government of the Hong Kong Special Administrative Region shall formulate appropriate policies to promote and coordinate the development of various trades such as manufacturing, commerce, tourism, real estate, transport, public utilities, services, agriculture and fishery and pay attention to environmental protection.

Section II Land Leases

Article 120 All leases of land granted, decided upon, or renewed before the establishment of the Hong Kong Special Administrative Region which extend beyond 30 June 1997, and all rights in relation to such leases, shall continue to be recognized and protected under the law of the region.

Article 121 With regards to leases of land granted or renewed where the original leases contain no right of

renewal during the period from 27 May 1985 to 30 June 1997 and which extend beyond 30 June 1997 and expire not later than 30 June 2047, the lessee is not required to pay any additional premium after 1 July 1997, but an annual rent equivalent to 3 percent of the rateable value of the property at that date, adjusted in step with any changes in the rated value thereafter, shall be charged.

Article 122 In the case of old schedule lots, village lots, small houses, and similar rural holdings where the property was on 30 June 1984 held by a lessee descended through the male line from a person who was in 1898 a resident of an established village in Hong Kong, or in the case of small houses granted after that date where property is granted to such a person, the previous rent shall remain unchanged so long as the property is held by that lessee or by one of his lawful successors in the male line.

Article 123 Where leases of land without a right of renewal expire after the establishment of the Hong Kong Special Administrative Region, they shall be dealt with in accordance with laws and policies formulated by the region on its own.

Section III Shipping

Article 124 The Hong Kong Special Administrative Region shall maintain Hong Kong's previous systems of shipping management and shipping regulation, including the system of management concerning seamen.

The Government of the Hong Kong Special Administrative Region shall, on its own, define its specific functions and responsibilities with respect to shipping.

Article 125 The Hong Kong Special Administrative Region shall be authorized by the central people's government to continue to maintain a shipping register and issue related certificates under its legislation, using the name "Hong Kong, China."

Article 126 With the exception of foreign warships, access for which requires the special permission of the central people's government, ships shall enjoy access to the ports of the Hong Kong Special Administrative Region in accordance with the laws of the region.

Article 127 Private shipping businesses, shipping-related businesses, and private container terminals in the Hong Kong Special Administrative Region may continue to operate freely.

Section IV Civil Aviation

Article 128 The Government of the Hong Kong Special Administrative Region shall create conditions and take measures for the maintenance of the status of Hong Kong as a center of international and regional aviation.

Article 129 The Hong Kong Special Administrative Region shall continue the previous system of civil aviation management in Hong Kong and keep its own aircraft register in accordance with provisions laid down

by the central people's government concerning nationality marks and registration marks of aircraft.

Access of foreign state aircraft to the Hong Kong Special Administrative Region requires the special permission of the central people's government.

Article 130 The Hong Kong Special Administrative Region shall be responsible on its own for matters of routine business and technical management of civil aviation, including the management of airports, the provision of air traffic services within the flight information region of the Hong Kong Special Administrative Region, and the discharge of other responsibilities allocated to it under the regional air navigation procedures of the International Civil Aviation Organization.

Article 131 The central people's government shall, in consultation with the Government of the Hong Kong Special Administrative Region, make arrangements providing for air services between the region and other parts of the PRC for airlines incorporated in the Hong Kong Special Administrative Region and having their principal place of business in Hong Kong and for other airlines of the PRC.

Article 132 All air service agreements providing for air services between other parts of the PRC and other states and regions with stops in the Hong Kong Special Administrative Region and all air services between the Hong Kong Special Administrative Region and other states and regions with stops in other parts of the PRC shall be concluded by the central people's government.

In concluding the air service agreements referred to in the first paragraph of this article, the central people's government shall take account of the special conditions and economic interests of the Hong Kong Special Administrative Region and consult the Government of the Hong Kong Special Administrative Region.

Representatives of the Hong Kong Special Administrative Region may participate, as members of the delegations of the PRC Government, in air service consultations with foreign governments concerning arrangements for such services referred to in the first paragraph of this article.

Article 133 Acting under specific authorizations from the central people's government, the Government of the Hong Kong Special Administrative Region may:

- (1) renew or amend air service agreements and arrangements previously in force;
- (2) negotiate and conclude new air service agreements providing routes for airlines incorporated in the Hong Kong Special Administrative Region and having their principal place of business in Hong Kong and rights for over-flights and technical stops; and
- (3) negotiate and conclude provisional arrangements with foreign states or regions with which no air service agreements have been concluded.

All scheduled air services to, from, or through Hong Kong which do not operate services to, from, or through

the mainland of China shall be regulated by the air service agreements or provisional arrangements referred to in this article.

Article 134 The central people's government shall give the Government of the Hong Kong Special Administrative Region the authority to:

- (1) negotiate and conclude with other authorities all arrangements concerning the implementation of the air service agreements and provisional arrangements referred in Article 133 of this law;
- (2) issue licenses to airlines incorporated in the Hong Kong Special Administrative Region and having their principal place of business in Hong Kong;
- (3) designate such airlines under the air service agreements and provisional arrangements referred to in Article 133 of this law; and
- (4) issue permits to foreign airlines for services other than those to, from, or through the mainland of China.

Article 135 Airlines incorporated and having their principal place of business in Hong Kong and civil aviation-related businesses there prior to the establishment of the Hong Kong Special Administrative Region may continue to operate.

Chapter VI. Education, Science, Culture, Sports, Religion, Labor, and Social Services

Article 136 On the basis of the previous educational system, the Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on the development and improvement of education, including policies regarding the educational system and its administration, the language of instruction, the allocation of funds, the examination system, the system of academic awards, and the recognition of education qualifications.

Community organizations and individuals may, in accordance with the law, run educational undertakings of various kinds in the Hong Kong Special Administrative Region.

Article 137 Educational institutions of all kinds may retain their autonomy and enjoy academic freedom. They may continue to recruit staff and use teaching materials from outside the Hong Kong Special Administrative Region. Schools run by religious organizations may continue to provide religious education, including courses on religion.

Students shall enjoy the freedom of choice of educational institutions and the freedom to pursue their education outside the Hong Kong Special Administrative Region.

Article 138 The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies to develop Western and traditional Chinese medicine and to improve medical and health services. Community organizations and individuals may provide medical and health services in accordance with law.

Article 139 The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on science and technology and protect by law achievements in scientific and technological research, patents, discoveries, and inventions.

The Government of the Hong Kong Special Administrative Region shall, on its own, decide on the scientific and technological standards and specifications applicable in Hong Kong.

Article 140 The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on culture and protect by law the achievements and the legitimate rights and interests of authors in their literary and artistic pursuits.

Article 141 The Government of the Hong Kong Special Administrative Region shall not restrict the freedom of religious beliefs, interfere in the internal affairs of religious organizations, or restrict religious activities which do not contravene the law of the Hong Kong Special Administrative Region.

Religious organizations shall, in accordance with law, enjoy the rights to acquire, use, dispose of, and inherit property and the right to receive financial assistance. Their previous property rights and interests shall be maintained and protected.

Religious organizations may, according to their previous practice, continue to run seminaries and other schools, hospitals, and welfare institutions and provide other social services.

Religious organizations and worshippers in the Hong Kong Special Administrative Region may maintain and develop their relations with religious organizations and worshippers elsewhere.

Article 142 The Government of the Hong Kong Special Administrative Region shall, on the basis of maintaining the previous systems concerning the professions, work out on its own the methods of assessing the qualifications for professional practice for the various professions.

Persons with professional qualifications or qualifications for professional practice obtained prior to the establishment of the Hong Kong Special Administrative Region may retain their previous qualifications in accordance with the relevant regulations and codes of practice.

The Government of the Hong Kong Special Administrative Region shall continue to recognize the professions and the professional organizations recognized prior to the establishment of the Hong Kong Special Administrative Region, and these organizations may, on their own, assess and accredit professional qualifications.

The Government of the Hong Kong Special Administrative Region may, as required by developments in society and in consultation with the parties concerned, recognize new professions and professional organizations.

Article 143 The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on sports. Nongovernmental sports organizations may continue to exist and develop in accordance with law.

Article 144 The Government of the Hong Kong Special Administrative Region shall maintain the policy previously practiced in Hong Kong with respect to subventions for nongovernmental organizations in fields such as education, medicine and health, culture, art, recreation, sports, social welfare, and social work. Staff previously serving in subventioned organizations in Hong Kong may remain in their employment in accordance with the previous system.

Article 145 On the basis of the previous social welfare system, the Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on the development and improvement of this system in the light of economic conditions and social needs.

Article 146 Voluntary organizations providing social services in the Hong Kong Special Administrative Region may, on their own, decide their forms of service, provided that the laws of the Hong Kong Special Administrative Region are not contravened.

Article 147 The Government of the Hong Kong Special Administrative Region shall formulate labor laws and policies on its own.

Article 148 The relationship between nongovernmental organizations in fields such as education, science, technology, culture, art, sports, the professions, medicine and health, labor, social welfare, and social work, as well as religious organizations in the Hong Kong Special Administrative Region and their counterparts on the mainland, shall be based on the principles of nonsubordination, noninterference, and mutual respect.

Article 149 Nongovernmental organizations in fields such as education, science, technology, culture, art, sports, the professions, medicine and health, labor, social welfare, and social work, as well as religious organizations in the Hong Kong Special Administrative Region, may maintain and develop relations with foreign countries and other regions and with relevant international organizations. They may use the name "Hong Kong, China" in the relevant activities as required.

Chapter VII. External Affairs

Article 150 Representatives of the Government of the Hong Kong Special Administrative Region may participate, as members of delegations of the PRC Government, in negotiations conducted by the central people's government at the diplomatic level and directly affecting the Hong Kong Special Administrative Region.

Article 151 The Hong Kong Special Administrative Region may, on its own and using the name "Hong Kong, China," maintain and develop relations and conclude and implement agreements with states, regions, and relevant international organizations in appropriate fields, including

the economic, trade, financial and monetary, shipping, communications, tourism, cultural, and sports fields.

Article 152 Representatives of the Government of the Hong Kong Special Administrative Region may participate, as members of delegations of the PRC Government, in international organizations or conferences in appropriate fields limited to states and affecting the Hong Kong Special Administrative Region; or may attend in such other capacities as may be permitted by the Central People's Government and the international organization or conference concerned; and may express their views, using the name "Hong Kong, China."

The Hong Kong Special Administrative Region may, using the name "Hong Kong, China," participate in international organizations and conferences not limited to states.

The central people's government shall take the necessary steps to ensure that the Hong Kong Special Administrative Region shall continue to retain its status in an appropriate capacity in those international organizations of which the PRC is a member and in which Hong Kong participates in one capacity or another.

The central people's government shall, where necessary, facilitate the continued participation of the Hong Kong Special Administrative Region in an appropriate capacity in those international organizations in which Hong Kong is a participant in one capacity or another, but of which the PRC is not a member.

Article 153 The application to the Hong Kong Special Administrative Region of international agreements to which the PRC is or becomes a party shall be decided by the central people's government in accordance with the circumstances and needs of the Hong Kong Special Administrative Region and after seeking the views of the Government of the Hong Kong Special Administrative Region.

International agreements to which the PRC is not a party but which are implemented in Hong Kong may continue to be implemented in the Hong Kong Special Administrative Region. The central people's government shall authorize or assist the Government of the Hong Kong Special Administrative Region to make appropriate arrangements for the application of other relevant international agreements to the Hong Kong Special Administrative Region of as necessary.

Article 154 The central people's government shall authorize the Government of the Hong Kong Special Administrative Region to issue, in accordance with law, passports of the Hong Kong Special Administrative Region of the PRC to all Chinese citizens who hold permanent identity cards of the Hong Kong Special Administrative Region, and travel documents of the Hong Kong Special Administrative Region of the PRC to all other persons lawfully residing in the Hong Kong Special Administrative Region. The above passports and documents shall be valid for all states and regions and shall record the holder's right to return to the Hong Kong Special Administrative Region.

The Government of the Hong Kong Special Administrative Region may apply immigration controls on entry into, stays in, and departures from the Hong Kong Special Administrative Region by persons from foreign states and regions.

Article 155 The central people's government shall assist or authorize the Government of the Hong Kong Special Administrative Region to conclude visa exemption agreements with states or regions.

Article 156 The Hong Kong Special Administrative Region may, as necessary, establish official or semi-official economic and trade missions in foreign countries and shall report the establishment of such missions to the central people's government for the record.

Article 157 The establishment of foreign consular and other official or semi-official missions in the Hong Kong Special Administrative Region shall require the approval of the central people's government.

Consular and other official missions established in Hong Kong by states which have formal diplomatic relations with the PRC may be maintained.

According to the circumstances of each case, consular and other official missions established in Hong Kong by states which have no formal diplomatic relations with the PRC may be permitted either to remain or be changed to semi-official missions.

States not recognized by the PRC may only establish nongovernmental institutions in the Hong Kong Special Administrative Region.

Chapter VIII. Interpretation and Amendment of the Basic Law

Article 158 The power of interpretation of this law shall be vested in the NPC Standing Committee.

The NPC Standing Committee shall authorize the courts of the Hong Kong Special Administrative Region to interpret on their own, in adjudicating cases before them, the provisions of this law which are within the limits of the autonomy of the region.

The courts of the Hong Kong Special Administrative Region may also interpret other provisions of this law in adjudicating cases before them. However, if the courts of the region, in adjudicating cases before them, need to interpret the provisions of this law concerning affairs which are the responsibility of the central people's government, or the relationship between the central authorities and the region, and if such interpretation will affect the judgments on the cases, the courts of the region shall seek an interpretation of the relevant provisions from the NPC Standing Committee through the Court of Final Appeal of the region before making their final judgments which are not appealable. When the NPC Standing Committee makes an interpretation of the provisions concerned, the courts of the region shall follow the interpretation of the NPC Standing Committee in

applying those provisions. However, judgments previously rendered shall not be affected.

The NPC Standing Committee shall consult its committee for the Basic Law of the Hong Kong Special Administrative Region before giving an interpretation of this law.

Article 159 The power of amendment of this law shall be vested in the NPC.

The power to propose amendments to this law shall be vested in the NPC Standing Committee, the State Council, and the Hong Kong Special Administrative Region. Amendment proposals from the Hong Kong Special Administrative Region shall be submitted to the NPC by the delegation of the region to the NPC after obtaining the consent of two-thirds of the deputies of the region to the NPC, two-thirds of all the members of the Legislative Council of the region, and the chief executive of the region.

Before a proposal for an amendment to this law is put on the agenda of the NPC, the Committee for the Basic Law of the Hong Kong Special Administrative Region shall study it and submit its views.

No amendment to this law shall contravene the established basic principles and policies of the PRC regarding Hong Kong.

Chapter IX. Supplementary Provisions

Article 160 Upon the establishment of the Hong Kong Special Administrative Region, the laws previously in force in Hong Kong shall be adopted as laws of the region except for those which the NPC Standing Committee declares to be inconsistent with this law. If any laws are later discovered to be inconsistent with this law, they shall be revised or cease to have force in accordance with the procedure as prescribed by this law.

Documents, certificates, contracts, and rights and obligations valid under the laws previously in force in Hong Kong shall continue to be valid and be recognized and protected by the Hong Kong Special Administrative Region provided that they are not inconsistent with this law.

Annex I. Method for the Selection of the Chief Executive of the Hong Kong Special Administrative Region

1. The chief executive shall be elected by a broadly representative Election Committee in accordance with this law and shall be appointed by the central people's government.

2. The Election Committee shall be composed of 800 members from the following sectors:

Industrial, commercial, and financial sectors	200
The professions	200

Labor, social services, religious communities, and other sectors	200
Legislative Council members, members of district organizations, Hong Kong deputies to the NPC, Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference	200

The term of office of members of the Election Committee shall be five years.

3. The delimitation of the various sectors and the number of Election Committee members returned by individual organizations in each sector shall be prescribed by the electoral law of the Hong Kong Special Administrative Region, which shall be formulated in accordance with the democratic, open principle.

Corporate bodies in various sectors shall, in accordance with the number of seats allocated and the election method prescribed by the electoral law, elect their own members of the Election Committee.

Members of the Election Committee shall vote in their individual capacities.

4. Candidates for the office of chief executive may be nominated jointly by no less than 100 members of the Election Committee. Each member may nominate only one candidate.

5. The Election Committee shall, in accordance with the list of nominations, elect the chief executive designate by secret ballot on a one-person-one-vote basis. The specific election method shall be prescribed by the electoral law.

6. The first chief executive shall be selected in accordance with the "Decision of the NPC on the Method for the Formulation of the First Government and the First Legislative Council of the Hong Kong Special Administrative Region."

7. If there is a need to make amendments to the method for selecting the chief executive after the year 2007, such amendments may be made with the endorsement of a two-thirds majority of the members of the Legislative Council and the consent of the chief executive and shall be reported to the NPC Standing Committee for approval.

Annex II.

Method for the Formation and Voting Procedure of the Legislative Council of the Hong Kong Special Administrative Region

1. Method for the Formation of the Legislative Council

(1) Each term of the Legislative Council of the Hong Kong Special Administrative Region shall be constituted by 60 members. The first term members of the Legislative Council shall be selected in accordance with the "Decision of the NPC on the Formulation of the First Government and the First Legislative Council of the Hong Kong Special Administrative Region." The second and third term members of the legislative council shall

be constituted as follows:

Second Term	
Members selected by the functioning organizations	30
Members selected by the Election Committee	6
Members directly elected by various constituencies	24

Third Term	
Members selected by the functioning organizations	30
Members directly elected by various constituencies	30

(2) Except for the first Legislative Council, the above-mentioned election committee shall be the Election Committee prescribed by Annex I of this law. The division and voting method of above-mentioned constituencies, the delimitation of various functioning sectors and corporate bodies, the allocation of seats and selection method of members of the Legislative Council, and the method for the Election Committee to select members of the Legislative Council shall be specified by the electoral law formulated by the Government of the Hong Kong Special Administrative Region and approved by its Legislative Council.

2. Voting Procedure for Bills and Motions of the Legislative Council

Unless otherwise specified in this law, the Legislative Council of the Hong Kong Special Administrative Region shall observe the following procedure in voting on bills and motions:

Adoption of government-proposed bills shall require the endorsement of more than half of the members attending the meetings.

Adoption of motions, bills, and amendments to government-proposed bills submitted by individual Legislative Council members shall require the endorsement of more than half of two groups of members, one selected by the functioning organizations and the other directly elected by various constituencies and the Election Committee.

3. Method for the Formation and Voting Procedure of the Legislative Council after 2007

Amendments to the provisions in this annex concerning the method for formulating and procedure for the voting of bills and motions of the Legislative Council of the Hong Kong Special Administrative Region after 2007 shall require the endorsement of a two-thirds majority of the members of the Legislative Council and the consent of the chief executive, and shall be reported to the NPC Standing Committee for the record.

Annex III.

National Laws To Be Applied in the Hong Kong Special Administrative Region

The following national laws shall be applied locally by the Hong Kong Special Administrative Region by the way of promulgation or legislation from 1 July 1997:

1. "Resolution on the Capital, Calendar, National Anthem, and National Flag of the PRC"
2. "Resolution on the National Day of the PRC"
3. "Order on the National Emblem of the PRC Proclaimed by the Central People's Government"

Attached: Design of the national emblem, notes of explanation, and instructions for use

4. "Declaration of the Government of the PRC on the Territorial Sea"
5. "Nationality Law of the PRC"
6. "Regulations of the PRC Concerning Diplomatic Privileges and Immunities"

Appendix

Decision of the NPC of the PRC on the Method for the Formation of the First Government and the First Legislative Council of the Hong Kong Special Administrative Region (Draft)

(Drafted for the NPC)

1. The first government and the first Legislative Council of the Hong Kong Special Administrative Region shall be formed in accordance with the principles of state sovereignty and smooth transition.

2. Within the year 1996, the NPC shall establish a Preparatory Committee for the Hong Kong Special Administration Region, which shall be responsible for preparing the establishment of the region in accordance with the specific method for forming the first government and the first Legislative Council prescribed in this decision. The Preparatory Committee shall be composed of mainland members and of Hong Kong members who shall constitute no less than 50 percent of its membership. Its chairman and members shall be appointed by the NPC Standing Committee.

3. The Preparatory Committee for the Hong Kong Special Administrative Region shall be responsible for preparing the establishment of the Election Committee for the first government of the Hong Kong Special Administrative Region (hereafter referred to as the "Election Committee").

The Election Committee shall be composed entirely of permanent residents of Hong Kong and must be broadly representative. It shall include Hong Kong deputies to the NPC of the PRC; representatives of Hong Kong members of the Chinese People's Political Consultative Conference [CPPCC] National Committee; persons with practical experience who served in Hong Kong's executive, legislative, and advisory organs prior to the establishment of the Hong Kong Special Administrative Region; and persons representative of all strata and sectors of society.

The Election Committee shall be composed of 400 members from the following sectors:

Industrial, commercial and financial sectors	25 percent
The professions	25 percent
Labor, grassroots, and religious organizations	25 percent
Former political figures, Hong Kong deputies to the NPC, and representatives of Hong Kong members of the CPPCC National Committee	25 percent

4. The Election Committee shall recommend the candidate for the first chief executive through local consultation or through local election after consultation, and report the recommended candidate to the central people's government for appointment. The term of office of the first chief executive shall be the same as the regular term.

5. The chief executive of the Hong Kong Special Administrative Region shall be responsible for preparing the formation of the first government of the region according to this law.

6. The first Legislative Council of the Hong Kong Special Administrative Region shall be composed of 60 members, with 20 directly elected by various constituencies, 10 by the election committee, and 30 by the functioning organizations. If the formation of the last Hong Kong Legislative Council meets the above provisions of this decision, former members of this council who support the Basic Law of the Hong Kong Special Administrative Region of the PRC, are willing to loyally serve the Hong Kong Special Administrative Region, and meet the requirements set forth in the Basic Law will, upon confirmation by the preparatory committee, become members of the first Legislative Council of the region. The term of office of members of the first Legislative Council of the Hong Kong Special Administrative Region is two years.

[To] The NPC Standing Committee:

After the Basic Law of the Hong Kong Special Administrative Region takes effect, an institution will be needed to study questions concerning the implementation of certain articles of the Basic Law and to submit its views to the NPC Standing Committee. Hence, we recommend that upon the the Basic Law coming into force, a working committee under the NPC Standing Committee be composed of mainland and Hong Kong members appointed by the NPC Standing Committee. Attached is a detailed plan for your consideration and decision.

[From] The Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region

[Dated] 16 February 1990

[Attachment] Proposal by the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region on the Establishment of the Committee for the Basic Law of the Hong Kong Special Administrative Region of the NPC Standing Committee

1. Name: The Committee for the Basic Law of the Hong Kong Special Administrative Region of the NPC Standing Committee.

2. Affiliation: A working committee under the NPC Standing Committee.

3. Task: To study questions concerning the implementation of Articles 17, 18, 158, and 159 of the Basic Law of the Hong Kong Special Administrative Region and submit its views thereon to the NPC Standing Committee.

4. Composition: Twelve members, six from the mainland and six from Hong Kong—including persons from the legal profession—appointed by the NPC Standing Committee for a term of office of five years. Hong Kong members shall be Chinese citizens who are permanent residents of the Hong Kong Special Administrative Region and do not have the right of residence in any foreign country and shall be nominated jointly by the chief executive, chairman of the Legislative Council, and chief justice of the Court of Final Appeal of the region for appointment by the NPC Standing Committee.

New Pro-Beijing Association Proposed

HK1502021390 Hong Kong HONGKONG STANDARD
in English 15 Feb 90 p 6

[By Ngo Tak-wing]

[Text] A new pro-Beijing organization to be formed later this month seems set to stir up controversy.

The organization is being founded primarily by local delegates to the Chinese People's Political Consultative Conference.

It will also include members of China's National People's Congress.

The organization, to be called the Friends of Hong Kong Association, has already raised more than \$2 million for its future activities. Founding members stressed the organization would be non-political but its formation has already aroused apprehension. A member of the preparatory committee for the association, Mrs Peggy Lam, emphasised that the association was definitely not a political party.

Mrs Lam, chairman of the Wan Chai District Board and a member of the Legislative Council, said the association would be only for social and friendship purposes.

"The aim is for those people who have similar objectives to promote the prosperity and stability of Hong Kong to get together," Mrs Lam said.

She admitted that now was a sensitive time to set up such an organization, but stressed that the idea to form such a grouping came about well before the Beijing crackdown of last June 4. Mrs Lam said although the majority of the founding members were local members of the Chinese People's Political Consultative Conference (CPPCC), delegates to the National People's Congress and others would be invited to join.

Another local CPPCC delegate and member of the association, Mr Tsui Sze-man, also stressed the non-political nature of the grouping.

He said the association with 200 members was registered as a limited company and would be chaired by Mr Leo Lee Tung-hai, a CPPCC delegate and board member of the Tung Wah Group of Hospitals.

Solicitor and former Urban Councillor Mr Edmund Chow Wai-hung, who had earlier questioned the legality of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, said he would look closely at whether the Friends of Hong Kong Association was political in nature.

He said if there was any possibility that it would be infringing the law, he would petition Omelco. [Office of Members of the Executive and Legislative Councils]

Mr Chow petitioned Omelco last November to examine the legal position of the Hong Kong Alliance.

The petition questioned whether the Alliance had breached the Societies Ordinance by having an affiliation with political organizations outside the territory.

Mr Chow said if the Friends of Hong Kong Association was purely a social organization, although its members were CPPCC or NPC delegates, there would be no infringement of the law.

However, if the organization was involved in politics, he said there was the possibility it may breach the law.

"If that is the case, I will again petition Omelco," he said. "I don't have to be afraid of them. Everyone is equal under the law in Hong Kong.

"But I will have to look at its organizational memorandum and objectives before giving comment on its legality," he emphasised.

The CPPCC is the highest advisory body in China. With a membership, including non-Communist Party leaders and independents, it has been hailed as a symbol of the United Front.

It functioned as China's legislature in the early 1950s and, in 1954, passed the national constitution which created the NPC as the legislature.

The 60-old Hong Kong delegates to the body were all appointed by the Chinese authorities and served as a link, and sometimes spokesman, for the Chinese government in the local community.

XINHUA Officials May Join

HK2002021190 Hong Kong HONGKONG STANDARD
in English 20 Jan 90 p 5

[Text] The newly-formed Friends of Hong Kong Association is likely to stir up further controversy by inviting XINHUA officials to join the group.

Founded by delegates to the Chinese People's Political Consultative Conference, the organisation has been registered as a limited company.

Association chairman Mr Leo Lee Tung-hai said its aim was for those who loved and had faith in Hong Kong to get together.

"We will set up a cultural committee to promote Sino-Hong Kong exchange and understanding. In other words, we want to act as a communication link (between the two places)," he said.

Mr Lee said they would invite XINHUA officials to join the association.

He also said they had talked to the XINHUA office on the setting up of such an organisation.

He admitted it was sensitive to form such an organisation at this time.

"Because of its sensitive nature, we avoided publicity and decided not to launch any inauguration ceremony," Mr Lee said.

The association has not made political comments, but Mr Lee did not rule out the possibility of it doing so in the future.

"It depends on the future development of the association," he said.

At present, the association was planning its activities.

"We will organise luncheons and dinners, and will try to invite top political celebrities to our gatherings," Mr Lee said.

"The aim is to make friends and to exchange views."

He said it would not take any initiative to invite mainland celebrities to visit Hong Kong, but would receive them if they came.

At present, the association has about 50 members, most of them delegates to the CPPCC.

Mr Lee hoped more CPPCC members would join the association and they might also invite local members of the National People's Congress to join.

He revealed the association had been registered as a limited company and had raised more than \$2 million for its activities.

An association board member, Mrs Peggy Lam, emphasised the association was not a political group.

She said the association would only be for social and friendship purposes.

Earlier, solicitor and former Urban Councillor Mr Edmund Chow said he would look closely at whether the Friends of Hong Kong Association was political in nature.

He said if there was any possibility it infringed the law, he would petition Omelco [Office of the Members of the Executive and Legislative Councillors].

CITIC Offered Loans To Buy Telecommunications

OW1702184090 Beijing XINHUA in English
1313 GMT 17 Feb 90

[Text] Hong Kong, February 17 (XINHUA)—Nineteen international banks offered a huge loan to the China International Trust and Investment Corporation (CITIC), Hong Kong, to finance its borrowing of Hong Kong Telecommunications.

Local press reported today that the 19 banks committed to providing a total of 11.3 billion H.K. dollars (1.45 billion U.S. dollars), 50 percent oversubscribed.

CITIC Hong Kong had originally planned to borrow 7.1 billion H.K. dollars (910 million U.S. dollars) to purchase 20 percent shares of Hong Kong Telecommunications.

Last week, the Hong Kong and Shanghai Bank and its sixty-one percent-owned Hang Seng Bank agreed to come in as underwriters of the loan after other banks had pledged a similar commitment.

Major banks of the United States, Japan, France, Austria, Britain, Federal Germany and the Netherlands joining the syndication include: Bank of America and Security Pacific Asian Bank of the U.S.; Dai-ichi Kangyo Bank of Japan, Long-Term Credit Bank of Japan and Bank of Tokyo; Banque Nationale de Paris, Bank Indosuez, Credit Lyonnais, Societe Generale of France; Westdeutsche Landesbank Girozentrale and Dresdner Bank of West Germany; National Westminster Bank, Midland Bank and Barclays Bank of Britain; Oesterreichische Landerbank of Austria; Allgemeine Bank Netherlands; and the East Asia Bank of Hong Kong.

Deng Meets With Comedian Henry Fok

HK2102022590 Hong Kong WEN WEI PO in Chinese
21 Feb 90 p 2

[Report: "Deng Xiaoping Meets with Henry Fok"]

[Text] Beijing, 20 February—Deng Xiaoping met here this afternoon with well-known Hong Kong celebrity Henry Fok.

More Chinese, Vietnamese Travel Via Mainland

HK1402015590 Hong Kong HONGKONG STANDARD
in English 14 Feb 90 p 4

[By Paul Harrington]

[Text] The majority of asylumseekers arriving in Hong Kong last month travelled by land to China, prompting concern that Beijing has relaxed controls on the Sino-Vietnamese border.

Half the boat people who have arrived in Hong Kong this year are ethnic Chinese.

The majority of the new arrivals are from Southern Vietnam and have travelled by land to China before reaching Hong Kong.

The trend, shown in figures for January, goes against the pattern for last year when arrivals were increasingly from the North, and ethnic Chinese accounted for a tiny percentage of the whole.

The Government's Refugee Co-ordinator Mr Mike Hanson called the figures "very, very unusual".

Of the 163 arrivals for January, 140 were from the South and 90 are ethnic Chinese. Some 155 reached China by land.

Mr Hanson said the figures did not yet show a real trend, but: "The most important thing to read from this is that people are coming over the land border.

"That suggests that the land border is once again pretty relaxed, and that could be a problem for us. We're very concerned about it."

Mr Hanson said the Vietnamese appeared to be travelling to Chinese ports by bus. "If that is happening then it's a problem because it makes the journey much easier," he said.

"We would like the Chinese to help bring that under control again."

Mr Hanson said it would be an exaggeration to say the situation was out of control but it could become a problem if it continued.

The figure of 163 arrivals last month compares with 114 for January 1989. There have been 36 arrivals so far this month.

Meanwhile, 76 boat people left Hong Kong yesterday to return voluntarily to Vietnam.

They were the eleventh group to return voluntarily.

A spokesman for the United Nations High Commissioner for Refugees, which organises the voluntary return programme, acknowledged that the group was smaller than the usual 120-strong ones.

But he said most of the drop-outs had been because of delays in receiving clearance from Hanoi, illness or because volunteers wanted to return at the same time as other members of their families.

Only 15 of the original group had pulled out voluntarily, he said.

There has been speculation that some may have changed their minds after hearing reports of other volunteers being imprisoned on their return to Vietnam.

The UNHCR [United Nations High Commission for Refugees] spokesman would not speculate on whether this was a factor in the unusually high drop-out rate yesterday.

"It is a voluntary programme and people are free to withdraw their applications," he said.

A total of 1,169 Vietnamese have now returned under the programme since it began in March last year. Another 1,735 volunteers have applied to go back.

At present the Vietnamese authorities say they can only accept returnees at the rate of 300 to 400 per month. The Hong Kong Government is urging Hanoi to increase that figure.

Mr Hanson said the Government wanted the Vietnamese reception facilities expanded to clear all the volunteers within a month.

"There is no reason why they should not take all those volunteers within one month.

"The scale of the problem is not determined by the Hong Kong Government, the scale of the problem is given.

"It is that there are a 1,000 voluntary returnees in the queue waiting to go home. I don't see why those people shouldn't go home immediately."

At present the only reception facility for the volunteers in Hanoi is an old school. Returnees remain there for a couple of days before returning to their home towns.

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